

2025 UK Annual Report

LivaNova



2025 UK Annual Report

DEFINITIONS

In this Annual Report, the following terms and abbreviations have the meanings listed below.

Abbreviation	Definition
2024	The year ended 31 December 2024
2025	The year ended 31 December 2025
2015 Plan	LivaNova PLC 2015 Incentive Award Plan
2021 First Lien Credit Agreement	First Lien Credit Agreement between LivaNova PLC and its wholly-owned subsidiary, LivaNova USA, Inc., and Goldman Sachs Bank USA, as First Lien Administrative Agent and First Lien Collateral Agent, entered into on 13 August 2021
2024 Restructuring Plan	A plan, initiated during 2024, to enhance LivaNova's focus on its core Cardiopulmonary and Neuromodulation segments
2025 Capped Calls	Privately-negotiated capped call transactions entered into with certain financial institutions
2025 Embedded Derivative	The bifurcated embedded derivative associated with the 2025 Notes
2025 LTIP	2025 Long-Term Incentive Plan
2025 Notes	\$287.5 million aggregate principal amount 3.00% unsecured cash exchangeable senior notes due 2025 by private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act, issued by LivaNova USA on 17 June 2020
2025 Notes Repurchase Transaction	Repurchase of \$230.0 million aggregate principal amount of the 2025 Notes in privately-negotiated transactions from proceeds from the issuance of the 2029 Notes
2025 STIP	2025 Short-Term Incentive Plan
2029 Capped Calls	Privately-negotiated capped call transactions entered into with certain financial institutions
2029 Embedded Derivative	The bifurcated embedded derivative associated with the 2029 Notes
2029 Notes	\$345.0 million aggregate principal amount 2.50% unsecured convertible senior notes due 2029 by private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act, issued by LivaNova PLC on 8 March 2024
A&R 2022 Plan	Amended and Restated LivaNova PLC 2022 Incentive Award Plan
ACS	Advanced Circulatory Support
AGM	Annual General Meeting
AI	Artificial intelligence
Annual Report	2025 LivaNova PLC UK Annual Report
AOCI	Accumulated other comprehensive income (loss)
APC	New Technology Ambulatory Payment Classification
ASMs	Anti-seizure medications
AC Committee	LivaNova's Audit and Compliance Committee
Auditor	Statutory Auditor
Barclays	Barclays Bank Ireland PLC
Board	LivaNova Board of Directors
Capped Call Transactions	The 2025 Capped Calls and the 2029 Capped Calls
CCO	Chief Compliance Officer
CCPA	California Consumer Privacy Act
CE Mark	Conformité Européenne, French for "European Conformity"
CED	Coverage with Evidence Development
CEO	Chief Executive Officer
CFD	UK Climate-related Financial Disclosures
CFO	Chief Financial Officer
CGU	Cash generating unit
CHCM Committee	LivaNova's Compensation and Human Capital Management Committee
CISO	Chief Information Security Officer
CLO	Chief Legal Officer
CMS	The U.S. Centers for Medicare & Medicaid Services
CO ₂ e	The number of metric tons of carbon dioxide emissions with the same global warming potential as one metric ton of another greenhouse gas
Code of Conduct	LivaNova PLC's Code of Ethics and Business Conduct

2025 UK Annual Report

Abbreviation	Definition
Companies Act 2006	Companies Act 2006 of England and Wales
Company	LivaNova PLC and its consolidated subsidiaries
Court of Appeal	Court of Appeal in Milan
CPB	Cardiopulmonary bypass
CSRD	EU Corporate Sustainability Reporting Directive (2022/2464)
Cyberonics	Cyberonics, Inc.
DEFRA	UK Department for Environment, Food, and Rural Affairs
Delayed Draw Term Facility	\$50 million delayed draw term facility under the 2021 First Lien Credit Agreement resulting from the Incremental Facility Amendment No. 2
DRE	Drug-resistant epilepsy
DTC	Depository Trust Company
DTD	Difficult-to-treat depression: The Company's broader business and strategic communications reference DTD as the preferred disease state when speaking more broadly about depression treatment, as it is a more inclusive and clinically evolving concept that encompasses patients whose depression continues to cause significant burden despite usual treatment efforts. Meanwhile, LivaNova's RECOVER clinical study defines the patient population using the inclusion criteria for TRD, typically characterized by major depressive disorder that does not adequately respond to at least two different antidepressant treatments given at an appropriate dose and duration. As a result, the Company uses TRD in the context of the RECOVER study to maintain consistency with the study protocol approved by the U.S. Centers for Medicare & Medicaid Services. References to either term in this filing are context-dependent but describe overlapping populations.
EBT	Employee Benefit Trust
ECCTA	Economic Crime and Corporate Transparency Act 2023
ECJ	European Court of Justice
EIR	Effective interest rate
ELT	Executive Leadership Team
Embedded Derivatives	The bifurcated embedded derivatives associated with the 2025 Notes and 2029 Notes, collectively
EPS	Earnings per share
ERM	Enterprise risk management
ESPP	Global Employee Share Purchase Plan
EtO	Ethylene oxide
EU	European Union
False Claims Act	U.S. False Claims Act
FCF	Free Cash Flow
FCPA	U.S. Foreign Corrupt Practices Act of 1977
FDA	U.S. Food and Drug Administration
FX	Foreign currency exchange rate
FY	Fiscal year
GAAP	Generally Accepted Accounting Principles
GBP	Great British pound
GDPR	General Data Protection Regulation
GHG	Greenhouse gas
Group	LivaNova PLC and its consolidated subsidiaries
HHS	The U.S. Department of Health & Human Services
HIPAA	Health Insurance Portability and Accountability Act of 1996
HITECH	Health Information Technology and Clinical Health Act
HLM	Heart-lung machine
IBR	Incremental borrowing rate
IEA	International Energy Agency
IFRS	UK-adopted International Accounting Standards
ImThera	ImThera Medical, Inc. was a company developing an implantable neurostimulation device system for the treatment of obstructive sleep apnoea that LivaNova acquired in 2018
Incremental Facility Amendment No. 2	An incremental facility amendment to the 2021 First Lien Credit Agreement, dated 6 July 2022

2025 UK Annual Report

Abbreviation	Definition
Incremental Facility Amendment No. 3	An incremental facility amendment to the 2021 First Lien Credit Agreement, dated 8 March 2024
Initial Term Facility	\$300 million term facility under the 2021 First Lien Credit Agreement, resulting from the Incremental Facility Amendment No. 2
IPCC	Intergovernmental Panel on Climate Change
IPR&D	In-Process Research and Development
ISDA	International Swaps and Derivatives Association, Inc.
ISIN	National Inspectorate for Nuclear Safety and Radiation Protection, a sub-body of the Italian Ministry of Economic Development
ISO	International Organization for Standardization
IT	Information technology
KPI	Key performance indicator
LCA	Lifecycle assessment
LivaNova	LivaNova PLC and its consolidated subsidiaries
LivaNova PLC	A public limited company organised under the laws of England and Wales
LivaNova USA	LivaNova USA, Inc.
LSM	LivaNova Site Management S.r.l.
MDR	EU Medical Device Regulation
MedTech	Medical technology
Merger	Business combination of Cyberonics and Sorin
MRI	Magnetic resonance imaging
Nasdaq	Nasdaq Global Select Market
NCD	National Coverage Determination
NCG Committee	LivaNova's Nominating and Corporate Governance Committee
NDC	Nationally Determined Contribution
NED	Non-executive director
NIST	U.S. National Institute of Standards and Technology
NOL	Net operating loss carryforward
NPI	New Patient Implant
OCI	Other comprehensive income (loss)
OECD	Organisation for Economic Co-operation and Development
Option Counterparties	Certain financial institutions with which LivaNova USA or LivaNova PLC, as applicable, has entered into the 2025 Capped Calls and 2029 Capped Calls
OSA	Obstructive sleep apnoea
OSPREY clinical trial	LivaNova's clinical trial, "Treating Obstructive Sleep Apnoea using Targeted Hypoglossal Neurostimulation"
Parent Company	LivaNova PLC
Pearl Meyer	Pearl Meyer & Partners, LLC
Pillar Two	Organisation for Economic Co-operation and Development Global Anti-Base Erosion Model Rules (Pillar Two)
Plan Committee	Qualified Plan Committee
PMA	Pre-market approval
PP&E	Property, plant, and equipment
PSU	Performance stock unit
Public Administrations	The Italian Ministry of the Environment and other Italian government agencies
R&D	Research and development
RECOVER clinical study	LivaNova's clinical study "A Prospective, Multi-center, Randomized Controlled Blinded Trial Demonstrating the Safety and Effectiveness of VNS Therapy System as Adjunctive Therapy Versus a No Stimulation Control in Subjects With Treatment-Resistant Depression"
Remuneration Policy	UK remuneration policy
ROIC	Return on Invested Capital
ROU	Right-of-use
RSU	Restricted stock unit

2025 UK Annual Report

Abbreviation	Definition
rTSR	Relative Total Shareholder Return
S&P	Standard & Poor's
SAR	Stock appreciation right
SDRT	UK Stamp Duty Reserve Tax
SEC	U.S. Securities and Exchange Commission
Second A&R 2022 Plan	Second Amended and Restated LivaNova PLC 2022 Incentive Award Plan
SECR	Streamlined Energy and Carbon Reporting
Securities Act	U.S. Securities Act of 1933, as amended
SG&A	Selling, general, and administrative expenses
SNIA	SNIA S.p.A.
SNIA Litigation Guarantee	A first demand bank guarantee of €270.0 million in connection with the SNIA environmental litigation
SOFR	Secured Overnight Financing Rate
Sorin	Sorin S.p.A.
TCFD	Task Force on Climate-related Financial Disclosures
Term Facilities	The Initial Term Facility, together with the Delayed Draw Term Facility
TFR	Trattamento di Fine Rapporto, Italian for "Severance Pay"
TRD	Treatment-resistant depression: LivaNova's RECOVER clinical study defines the patient population using the inclusion criteria for TRD, typically characterized by major depressive disorder that does not adequately respond to at least two different antidepressant treatments given at an appropriate dose and duration. As a result, the Company uses TRD in the context of the RECOVER study to maintain consistency with the study protocol approved by the U.S. Centers for Medicare & Medicaid Services. Meanwhile, the Company's broader business and strategic communications reference DTD as the preferred disease state when speaking more broadly about depression treatment, as it is a more inclusive and clinically evolving concept that encompasses patients whose depression continues to cause significant burden despite usual treatment efforts. References to either term in this filing are context-dependent but describe overlapping populations.
TSR	Total Shareholder Return
U.S.	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the U.S.
UK	United Kingdom
UK Bribery Act	UK Bribery Act of 2010
United Kingdom Accounting Standards, comprising FRS 101	United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework")
United States	United States of America
USD	U.S. dollar
UTPR	Undertaxed profits rule
VNS	Vagus nerve stimulation
VNS Therapy	LivaNova Vagus Nerve Stimulation Therapy
WACC	Weighted average cost of capital

Annual Report

This Annual Report of LivaNova PLC comprises the Strategic Report, Directors' Report, Remuneration Report, and the LivaNova PLC consolidated financial statements prepared in accordance with IFRS and the Parent Company financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 101 and applicable law, in respect of the year ended 31 December 2025.

This Annual Report has been prepared to satisfy the reporting requirements of the Companies Act 2006 and will be included in the 2026 AGM materials made available to shareholders.

Cautionary Statement

Certain statements made in this Annual Report are forward looking. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future events or results referred to in the forward-looking statements. Unless otherwise required by applicable laws, regulations, or accounting standards, LivaNova does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments, or otherwise. Nothing in this Annual Report should be regarded as a profit forecast.

Intellectual Property, Trademarks, and Trade Names

This Annual Report may contain references to LivaNova's proprietary intellectual property, including among others:

- Trademarks for LivaNova's Neuromodulation systems, the VNS Therapy™ System, and LivaNova's proprietary pulse generator products: Model 102 (Pulse™), Model 102R (Pulse Duo™), Model 103 (Demipulse™), Model 104 (Demipulse Duo™), Model 106 (AspireSR™), Model 1000 (SenTiva™), Model 1000-D (SenTiva™ Duo), and Model 8103 (Symmetry™).
- Trademarks for LivaNova's Cardiopulmonary products and systems: Essenz™, S5™, S5 Pro™, B-Capta™, Inspire™, Heartlink™, XTRA™, 3T Heater-Cooler™, Connect™, Revolution™, ProtekDuo™, and TandemHeart™.
- Trademarks for LivaNova's obstructive sleep apnoea system: ImThera™, aura6000™, and PolySync™.

These trademarks and trade names are the property of LivaNova or the property of LivaNova's consolidated subsidiaries and are protected under applicable intellectual property laws. Solely for convenience, LivaNova's trademarks and trade names referred to in this Annual Report may appear without the ™ symbol, but such references are not intended to indicate in any way that the Company will not assert, to the fullest extent under applicable law, LivaNova's rights to these trademarks and trade names.

TABLE OF CONTENTS

STRATEGIC REPORT	1
Introduction	1
Business Overview	1
LivaNova's Global Business Model	1
Cardiopulmonary	1
Neuromodulation	1
LivaNova's Strategy: Overview of 2025 and Looking Forward to 2026	3
Non-Financial & Sustainability Information Statement	5
Human Capital Management	5
Sustainability	6
2025 Greenhouse Gas Report	12
Compliance	14
Information Security	16
Government Regulation and Other Considerations	17
Industry Affiliations	20
Business Review	21
Introduction	21
Key Performance Indicators	21
Results of Operations	22
Liquidity and Capital Resources	24
Debt and Capital	25
Subsequent Events	25
Contractual Obligations	25
Market and Credit Risk	26
Risks and Uncertainties	28
LivaNova's Approach to Stakeholders	42
DIRECTORS' REPORT	46
REMUNERATION REPORT	49
Statement from the Chair of the Compensation and Human Capital Management Committee	49
How LivaNova Establishes Executive Compensation Levels	52
2025 Remuneration Report	53
FINANCIAL STATEMENTS	68
Independent Auditors' Report	68
Table of Contents: Consolidated Financial Statements	74
Consolidated Statement of Income (Loss)	75
Consolidated Statement of Comprehensive Income (Loss)	76
Consolidated Balance Sheet	77
Consolidated Statement of Changes in Equity	79
Consolidated Statement of Cash Flows	80
Notes to the Consolidated Financial Statements	81
Table of Contents: Parent Company	130
Parent Company Balance Sheet	131
Parent Company Statement of Changes in Equity	132
Notes to the Parent Company Financial Statements	133

STRATEGIC REPORT

Business Overview

Livano's Global Business Model

Livano PLC is a market-leading global medical technology company. The Company designs, develops, manufactures, markets, and sells products, therapies, and services that are consistent with Livano's mission to "create ingenious medical solutions that ignite patient turnarounds." Livano is a public limited company organised under the laws of England and Wales and is headquartered in London, England. Livano's ordinary shares are listed for trading on the Nasdaq under the symbol "LIVN."

Livano identifies operating segments based on how it manages, evaluates, and internally reports its business activities to allocate resources, develop and execute its strategy, and assess performance. Livano has two reportable segments: Cardiopulmonary and Neuromodulation. "Other" includes non-allocated corporate expenses and the non-cannula results of the Company's former ACS segment, which was wound down during 2024.

Cardiopulmonary

Livano's Cardiopulmonary segment is engaged in the design, development, manufacture, marketing, and sale of cardiopulmonary products, including HLMs, oxygenators, autotransfusion systems, perfusion tubing systems, cannulae, and other related accessories, and provides services related to certain of these products. In particular, the Cardiopulmonary segment includes the Essenz Perfusion System, the Company's next-generation HLM with an embedded patient monitor for tailored patient care strategies and sensing technology for data-driven decision-making during CPB procedures.

CPB is frequently utilised in various heart-related procedures. This method allows the surgical team to oxygenate and circulate the patient's blood, providing the necessary conditions for the surgeon to operate on the heart. The procedures most commonly requiring CPB include traditional coronary artery bypass grafting and valve surgeries. Livano's products enable CPB for neonatal, paediatric, and adult patients.

HLMs

The HLM product group includes HLMs, heater-coolers, related cardiac surgery equipment and maintenance, and technical services. HLMs temporarily take over the heart and/or lung functions, providing/circulating blood and oxygen to the body, while the heart is stopped during a cardiac surgery procedure. Heater-coolers are used during surgeries to warm or cool patients as part of their care. They are especially important during surgeries involving the heart and lungs.

Oxygenators and Perfusion Tubing Systems

The oxygenators product group, which includes the Inspire systems, comprises disposable devices for extracorporeal circulation. The Inspire range of products comprises 12 models that provide perfusionists with a customisable approach for the benefit of patients. Oxygenators exchange oxygen and carbon dioxide in the blood of patients during surgical procedures and are utilised by perfusionists during cardiac surgery in conjunction with an HLM and can also be utilised in extracorporeal membrane oxygenation.

Autotransfusion Systems

One of the key elements for a complete blood management strategy is autologous blood transfusion. The autotransfusion product group facilitates the collection, processing, and reinfusion of the patient's own blood lost at the surgical site.

Cannulae

The cannulae product group comprises cardiopulmonary bypass cannulae, or tubing, which is a device used in cardiopulmonary surgery to cannulate the vessels, perfuse the coronary arteries, and interconnect the catheters and cannulae with an oxygenator.

Neuromodulation

Livano's Neuromodulation segment is engaged in the design, development, manufacture, marketing, and sale of devices that deliver neuromodulation therapy for treating DRE and DTD. The VNS Therapy System consists of an implantable pulse generator and connective lead that stimulates the left vagus nerve, surgical equipment to assist with the implant procedure, and equipment and instruction manuals that enable a treating healthcare professional to set parameters for a patient's pulse generator. The lead does not need to be removed to replace a generator with a depleted battery. The Neuromodulation segment also includes the development and testing of devices for treating OSA.

STRATEGIC REPORT

Business Overview

DRE

The VNS Therapy System is designed as an adjunctive treatment to reduce seizures in people with DRE and is approved in many jurisdictions globally, including in the U.S., for patients four years of age or older with partial or focal onset seizures. There are several broad types of treatment available to patients with epilepsy; ASMs typically serve as a first-line treatment and are prescribed for virtually all patients diagnosed with epilepsy. After two ASMs fail to deliver seizure control, the epilepsy is characterised as drug-resistant, and adjunctive non-drug options are considered, including VNS therapy, ketogenic diet, surgery, and other neuromodulation therapies.

LivaNova distributes multiple VNS Therapy devices for the treatment of epilepsy, including Model 103 (Demipulse), Model 106 (AspireSR), Model 1000 (SenTiva), and Model 1000-D (SenTiva Duo) pulse generators. LivaNova's AspireSR and SenTiva implantable pulse generators provide the traditional benefits of VNS therapy but add an additional stimulation capability: closed-loop stimulation (AutoStim), which responds to the detection of changes in heart rate, potentially indicative of a seizure. The SenTiva generator is the smallest and lightest VNS device capable of delivering responsive therapy for epilepsy and includes the additional flexibility of LivaNova's Scheduled Programming and Day & Night Programming capabilities.

In 2017, the SenTiva and AspireSR VNS Therapy devices were approved by the FDA for expanded MRI access, and CE Mark approval followed shortly thereafter. In 2020, CMS expanded reimbursement for VNS Therapy use in the treatment of Dravet Syndrome and, in 2022, expanded reimbursement for VNS Therapy use in the treatment of Lennox-Gastaut Syndrome.

In June 2025, the Company announced the completion of the CORE-VNS study, which evaluated outcomes using real-world evidence from more than 800 individuals with DRE treated with VNS Therapy worldwide. The Company reported 36-month data from the completed clinical study report for paediatric and adult patients with severe focal seizures receiving adjunctive VNS Therapy. In addition, the Company announced the publication of 24-month data from the CORE-VNS three-year study reporting reductions in generalised tonic-clonic seizure frequency among individuals with DRE treated with adjunctive VNS Therapy.

DTD

VNS Therapy received CE Mark approval in 2001 for treatment-resistant depression in the EU. In 2005, the FDA approved the VNS Therapy System for the adjunctive treatment of chronic or recurrent depression for patients 18 years or older who are experiencing a major depressive episode and have not had an adequate response to four or more antidepressant treatments. In 2007, CMS issued an NCD that vagus nerve stimulation is not covered for treatment-resistant depression, significantly limiting access for most patients.

Following the publication of a study on treatments for patients experiencing DTD in 2017, LivaNova requested that CMS reconsider its previous NCD, and in 2018, CMS published a tracking sheet to reconsider. In 2019, CMS published its final decision on the reconsideration, concluding that CMS would cover the VNS Therapy System for Medicare beneficiaries with treatment-resistant depression through CED when offered in a CMS-approved, double-blind, randomised, placebo-controlled trial with a follow-up duration of at least one year. In this 2019 decision, CMS also agreed to cover a VNS Therapy System device replacement for Medicare beneficiaries already implanted with a device. The CED also included the possibility of extending the study to a prospective longitudinal registry.

In 2019, CMS accepted the study protocol for LivaNova's RECOVER clinical study, "A Prospective, Multi-center, Randomized Controlled Blinded Trial Demonstrating the Safety and Effectiveness of VNS Therapy System as Adjunctive Therapy Versus a No Stimulation Control in Subjects With Treatment-Resistant Depression," and the first patient was enrolled. LivaNova's RECOVER clinical study is examining up to 1,000 patients ages 18 or older who have unipolar or bipolar depression that is difficult to treat and is being carried out at up to 100 leading hospitals and medical centres across the U.S.

In 2023, LivaNova completed enrolment of the unipolar depression cohort in the RECOVER clinical study. In 2024, the Company announced that the preliminary results for the unipolar patient cohort did not meet their primary endpoint for this cohort but showed statistically significant and clinically meaningful improvements in multiple secondary endpoints related to measures of quality of life and daily function.

In June 2025, the Company announced that it had initiated the process with CMS to seek reconsideration of national Medicare coverage for VNS Therapy in unipolar patients with TRD.

OSA

In 2018, LivaNova acquired full ownership of ImThera, a company developing an implantable neurostimulation device system for the treatment of obstructive sleep apnoea. The device stimulates the hypoglossal nerve, which engages specific tongue and palate muscles to open the airway while a patient sleeps.

In 2021, LivaNova received approval from the FDA to proceed with its investigational device exemption clinical study, the OSPREY clinical trial, "Treating Obstructive Sleep Apnoea Using Targeted Hypoglossal Nerve Stimulation," and the first patient was implanted in 2022 with the aura6000 System. In 2024, the Company announced the OSPREY clinical trial met its primary

STRATEGIC REPORT

Business Overview

endpoints for efficacy and safety, and in November 2025, the Company announced its new advanced titration algorithm, PolySync, which utilises the technology's six-electrode design to provide a more targeted nerve activation and enable an even greater patient response. On 18 March 2026, the FDA granted PMA for the aura6000 System for the treatment of adult patients with moderate to severe OSA who have failed, do not tolerate, or are ineligible for first-line therapies, such as positive airway pressure.

LivaNova's Strategy: Overview of 2025 and Looking Forward to 2026

In 2025, the Company continued to execute its strategic priorities with an emphasis on operational and financial discipline, and long-term value creation. The Cardiopulmonary and Epilepsy businesses delivered consistent performance, contributing to operating margin expansion and strong cash generation. These results supported ongoing investment in innovation while maintaining adherence to the Company's capital allocation framework.

During the year, the Company advanced development activities related to its OSA programme. Progress in this area was funded through the strength of the core businesses and managed within established cost and investment parameters. Management maintained a disciplined approach to resource deployment and expense control, consistent with the Company's commitment to prudent risk management and sustainable growth.

The Company also continued to make progress on its long-term strategy, including the financial targets outlined at the November Investor Day. The core businesses provided a durable foundation of growth, profitability, and cash generation, enabling disciplined investment in innovation to drive the Company's next chapter - entering high growth, high margin markets to build a more profitable, more sustainable financial profile over time.

Core Businesses

LivaNova has two reportable segments: Cardiopulmonary and Neuromodulation. The markets for these segments are significant and growing, and the Company has established strong positions in both, with its Epilepsy business serving as the primary revenue driver of the Neuromodulation segment. To drive value in 2025, the Company focused on advancing its positions and generating consistent, profitable revenue growth across both segments.

Epilepsy

The Company has made progress on its goal to build VNS Therapy treatment pathways around the world to improve patient access to care, drive healthcare professional advocacy, and cultivate networks of health systems to deliver VNS Therapy. In 2025, this progress resulted in revenue and total patient implant growth.

LivaNova expects continued profitable growth in this business, supported by three key strategic levers: impactful clinical evidence; innovation, including a connected care platform and Bluetooth-enabled generator; and sustained commercial excellence, including reimbursement and market access initiatives.

The Company's mission for this business is to drive greater awareness of all surgical interventions, including VNS Therapy, as a treatment option for DRE, versus cycling through drugs. The Company believes that it can build upon its position to deliver sustainable profitable growth.

Cardiopulmonary

In 2025, LivaNova's Cardiopulmonary segment delivered strong revenue growth, reflecting cardiac procedure growth and increased capital placements. The Company also gained market share in its consumables products, as strong demand continues to exceed market supply. The Company continued to ramp up placements of its next-generation HLM, the Essenz Perfusion System, which launched in 2023. Capitalising on its user-centric design approach, the Essenz system was developed to modernise the practice of perfusion. The device enables users to more easily tailor patient care strategies and supports continuous improvement of clinical practice. The system is based on a near 50-year legacy of proven safety and reliability. The Essenz Perfusion System comprises the next-generation HLM, a comprehensive range of sensing technology, the intuitive Essenz patient monitor, and a service offering. The increase of Essenz placements meaningfully contributed to revenue growth in the Cardiopulmonary segment in 2025.

In 2026, LivaNova will continue to drive Essenz penetration globally and expand its consumables product manufacturing capacity to drive growth for the Cardiopulmonary segment. The Company is encouraged by the Essenz upgrade cycle and its manufacturing capacity expansion initiatives, both of which have been meaningful revenue growth drivers in the Cardiopulmonary segment.

LivaNova's growth strategy in Cardiopulmonary is driven by three levers: continued market-share gains in consumables, enabled by capacity expansion and enhanced by the Company's next-generation oxygenator with an estimated launch in 2028; the continued upgrade cycle of Essenz, where LivaNova expects approximately 80% of new HLM placements to be Essenz by the end

STRATEGIC REPORT

Business Overview

of 2026; and recurring revenue streams via software, hardware, and service attachments, leveraging the breadth of the Company's HLM installed base.

Pipeline Initiatives

Innovation remains a key driver of value creation for LivaNova, both by strengthening the core businesses and by enabling the next chapter of growth. LivaNova's R&D organisation is focused on advancing its core portfolio and pipeline initiatives. In Epilepsy, the Company is focused on its next-generation system with cloud connectivity and driving clinical evidence initiatives for VNS Therapy. The Company recently received FDA approval for its cloud-based digital health platform. This approval establishes the foundation for the connected care roadmap and enables the initial rollout of the cloud-based clinician portal. A limited market rollout is expected in 2026, with full market release in 2027 alongside the launch of the next-generation Bluetooth-enabled implantable pulse generator.

In Cardiopulmonary, the Company continues to make progress in developing a next-generation oxygenator and enhancing capabilities for Essenz.

The foundation of the Company's profit-generating core businesses also supports investments into the Company's two pipeline initiatives: DTD and OSA.

Depression

LivaNova continues to advance its work in DTD, a large and highly underserved patient population characterised by chronic or recurrent depressive episodes that have not responded adequately to multiple prior treatments. Building on more than two decades of experience with VNS Therapy, the Company remains focused on establishing the therapy's long-term value in patients with the most refractory disease. The safety of VNS Therapy is well understood with more than 175,000 epilepsy patients implanted to date.

In 2024, the Company announced that the preliminary results for the unipolar patient cohort in the RECOVER clinical study did not meet their primary endpoint for this cohort, but showed statistically significant and clinically meaningful improvements in multiple secondary endpoints related to measures of quality of life and daily function. In June 2025, the Company announced that it had initiated the process with CMS to seek reconsideration of national Medicare coverage for VNS Therapy in unipolar patients with TRD.

Consistent with the Company's disciplined approach to capital allocation, DTD represents a potential longer-term value creation opportunity, with future investment decisions gated by progress with CMS. LivaNova maintains the infrastructure necessary to scale efficiently should coverage be granted, leveraging shared neuromodulation capabilities, existing clinical expertise, and operational synergies with the Epilepsy business. In the interim, the Company will continue to focus on scientific engagement and publication of evidence to expand understanding of DTD and the differentiated profile of VNS Therapy.

Obstructive Sleep Apnoea

OSA represents a large, underdiagnosed, and undertreated condition with substantial unmet medical need, particularly for patients who do not tolerate or benefit sufficiently from first-line therapies. LivaNova is developing a differentiated approach to upper-airway stimulation through its proximal hypoglossal nerve stimulation (pHGNS) technology, designed to expand treatment options for a broader and more challenging patient population.

In 2025, the Company made meaningful regulatory and clinical progress. The modular PMA submission for its OSA therapy continued to advance with the FDA, and LivaNova received PMA approval for the clinical-trial device in March 2026. The Company expects to follow this approval with a PMA supplement for the MRI-compatible commercial system. The Company anticipates a limited market release in the first half of 2027, followed by a broader commercial launch in the second half of the year.

LivaNova's differentiated technology, combined with learnings from its Neuromodulation businesses, provides a strong foundation for the long-term development of its OSA business. Together, these capabilities position the Company to enter a high-growth, high-margin market with a disciplined, phased launch model and a clear path to building a second scaled neuromodulation business over time.

Focused on 2026

In 2026, LivaNova will continue building on the strong momentum established in 2025, advancing its long-term strategy by being disciplined and executing effectively across the business. The Company remains focused on strengthening its core Cardiopulmonary and Epilepsy businesses, each of which provides durable growth, attractive profitability, and the foundation for continued investment. It is also progressing its two neuromodulation pipeline opportunities that represent meaningful sources of potential future value. In DTD, LivaNova will advance its engagement with CMS as it works toward clarity on national reimbursement, preserving optionality in a large and underserved market. In OSA, the Company will continue to advance

regulatory activities and commercial readiness ahead of its planned 2027 launch, supported by a differentiated therapy platform and shared neuromodulation capabilities. With a solid financial position, a strong leadership team, and a clear strategic roadmap, LivaNova enters 2026 well-positioned to build on its momentum and drive value for all stakeholders.

Non-Financial & Sustainability Information Statement

Human Capital Management

As of 31 December 2025, LivaNova had approximately 3,300 employees worldwide, representing more than 80 nationalities and located in 34 countries. These employees are crucial in achieving the Company's mission. LivaNova encourages its employees to act by LivaNova's four human imperatives of empowered accountability, constructive collaboration, curious mindset, and thoughtful humility. These human imperatives are not just what LivaNova believes, but how LivaNova expects its employees operate to deliver the Company's vision of "changing the trajectory of lives for a new day."

Compensation and Benefits

To meet the needs of LivaNova's patients and customers, the Company strives to attract, retain, develop, and reward exceptional talent. LivaNova's proactive talent acquisition strategies, competitive compensation and benefits, collaborative and rewarding work environment, leadership development programmes, and professional training opportunities have been significant drivers of the Company's success. In addition to base pay, LivaNova's rewards and benefits programmes may include, depending on jurisdiction, annual performance bonuses, share awards, pensions, health and well-being programmes, paid time off and parental leave, financial assistance for education-related purposes, flexible working schedules, hybrid and remote working, employee share purchase plans, and employee rewards programmes, among others.

Culture

LivaNova seeks to foster an inclusive culture based on diverse perspectives and transparency, where open and direct communication is valued. Accordingly, LivaNova regularly conducts employee engagement surveys, called "LivaNova4You," to measure overall employee engagement and satisfaction and to provide the Company with actionable data for potential improvement opportunities. Over 94% of employees completed the most recent LivaNova4You engagement survey in early 2026, which encompassed questions relating to health and wellness, employee engagement, transformation and change, and overall culture within the Company. Based on the results of the survey, leaders within the Company identified strengths including employees' sense of purpose and clarity around strategy and change, inclusion and belonging, and collaboration; the Company also identified opportunities to further enhance career development pathways, manage workloads, and role-model well-being among leadership.

Performance Management, Leadership Development, and Professional Training

LivaNova recognises the value in fostering an inclusive work environment and strives to provide a workplace free of harassment or discrimination. Accordingly, the Company closely monitors its gender metrics on a regular basis. As of 31 December 2025, LivaNova had eleven Directors on its Board, of whom four (36%) are female and seven (64%) are male. The ELT at the end of 2025 consisted of ten individuals, of whom three (30%) are female and seven (70%) are male. As a result of a departure in January 2026, the ELT at April 27, 2026, consists of nine individuals, of whom three (33%) are female and six (67%) are male. Of the Company's senior leadership team, which includes senior vice presidents, vice presidents, senior directors, and directors, as of 31 December 2025, 37% are female and 63% are male. Finally, as of 31 December 2025, of LivaNova's approximately 3,300 employees, 53% are female and 47% are male.

LivaNova's annual performance management process is designed to build employee skills and capabilities and enable employees to perform at their best by providing regular feedback and guidance. It includes training to increase the quality of employee/manager performance review discussions and employee performance calibrations among leaders to drive consistency. All employees develop performance-aligned goals in conjunction with their managers at the beginning of the year that are regularly reviewed with their managers throughout the year.

Employees have access to an extensive training library called LivaNova University that encompasses content relating to skill-building and the core business areas. This enables employees to access development resources at their convenience. In addition, LivaNova offers dedicated development and learning offerings which address specific business needs and support organisational priorities including developing enterprise leaders for the future.

LivaNova also supports the continuing education of its employees externally. In the U.S. and internationally, eligible employees can access financial aid through education reimbursement programmes for approved courses and certifications completed independently.

Finally, LivaNova offers internships and apprenticeships across functions around the globe, in partnership with universities and institutions, which may lead to full-time employment with the Company.

Valuing People

LivaNova values diversity and welcomes all employees and partners regardless of their race, gender, nationality, ethnic origin, religion, age, or sexual orientation. LivaNova embraces diverse perspectives, experiences, and backgrounds, knowing they enrich LivaNova’s collaborative culture and drive its success as a Company. The Company is committed to maintaining a workplace free from discrimination, bullying, intimidation, and harassment.

LivaNova also supports internal diversity affinity initiatives, including the Multi-Generation Network and Women in Sales, where employees convene to discuss topics that promote diversity in the workplace. In addition to the aforementioned groups, the LivaNova Women’s Network operates a mentorship programme created by women, for women, that facilitates pairings between mentors and mentees in the U.S. and Latin America. Topics range from career and financial advice to performance management and connection to the Company’s strategy. These programmes provide members with new perspectives, more personalised development, and an opportunity to network with other women across the organisation.

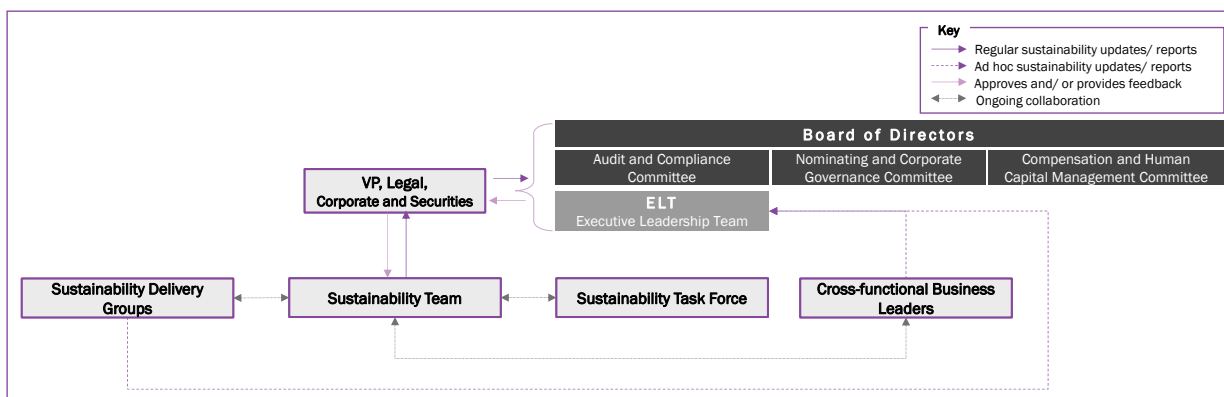
Sustainability

Climate-related Financial Disclosure FY 2025

This CFD has been prepared pursuant to the requirements of the Companies Act 2006. For the purposes of this disclosure, the Company has also applied the recommendations and recommended disclosures of the TCFD as set out in the TCFD Final Report (2017). Disclosure of LivaNova’s scope 1 and 2 GHG emissions can be found in the section entitled “2025 Greenhouse Gas Report” in this Annual Report.

Governance

LivaNova aims to embed sustainability and climate-related considerations at multiple levels within the organisation’s governance structure. By delegation of the Board, the NCG Committee of the Board oversees sustainability-related matters and periodically reviews climate-related risks and opportunities. The ELT; the Vice President, Legal, Corporate and Securities; the Sustainability Team; the Sustainability Delivery Groups; the Sustainability Task Force; and various functions across the business are responsible for implementing the Company’s sustainability-related initiatives, including the identification, assessment, and management of climate-related risks and opportunities as further detailed below. LivaNova’s governance of sustainability and climate matters is evolving and is expected to continue to be refined as the organisation matures, in response to external developments relating to climate change, and as sustainability and climate-related matters are further embedded into LivaNova’s ways of working.



Board

Under Board delegation, the NCG Committee oversees the Company’s sustainability-related policies and strategies, and periodically reviews risks and opportunities, trends, and key metrics and progress against targets related to sustainability, including with respect to environmental matters (including climate), social matters (including human rights and supply chain), and governance matters (including the governance of sustainability matters by the Company). The NCG Committee also reviews LivaNova’s climate reporting and disclosure processes, reviews certain sustainability-related disclosures (and recommends these to the Board for approval, where legally required), and is responsible for reviewing any assurance of disclosures and related internal controls together with management, Internal Audit, and assurance providers. On a quarterly basis, the NCG Committee receives reports from the Sustainability Team which include relevant updates, discussion points, and disclosures for review and approval, including the CFD, the Greenhouse Gas Report, and the Carbon Reduction Plan. The Board also has access to the reports from the Sustainability Team.

The AC Committee and the CHCM Committee also have Board-delegated responsibility for certain matters related to sustainability and climate. The AC Committee oversees the engagement of any assurance provider for mandatory sustainability

STRATEGIC REPORT

Business Overview

assurance and reviews and monitors its independence. The CHCM Committee reviews sustainability and climate-related disclosures relevant to human capital management.

The abovementioned committees are empowered to liaise with other committees of the Board as appropriate and each provide a summary at the quarterly Board meetings to support the Board's visibility of the respective areas of delegated sustainability oversight.

ELT

The ELT is regularly informed of key sustainability and climate-related initiatives. It also regularly reviews, monitors, and assesses LivaNova's principal climate-related risks and opportunities, strategic initiatives, and disclosures, as provided by the Vice President, Legal, Corporate and Securities and the Sustainability Team, and on an ad hoc basis, by other cross-functional leaders across Operations, Compliance, Risk, Supply Chain, Procurement, Finance, Internal Audit, and Human Resources, where relevant.

The Sustainability Team, Sustainability Delivery Groups, and Sustainability Task Force

The Sustainability Team is responsible for coordinating the implementation of the Company's sustainability initiatives, leading the multi-stakeholder process to identify and assess climate-related risks and opportunities, monitoring performance against climate targets, and preparing climate disclosures. The Sustainability Team also provides sustainability and climate-related expertise, and supports and facilitates cross-functional collaboration, including through the Sustainability Delivery Groups that are set up to focus on specific sustainability projects and composed of members from relevant sites and business functions, based on the respective project needs. The Sustainability Delivery Groups collaborate with the Sustainability Team in a constructive and structured manner to support efforts to embed climate matters into business operations, for example, to monitor and help the company meet regulatory requirements; expectations from stakeholders, including patients, employees, healthcare professionals, suppliers, distributors, regulators, and investors; and LivaNova's climate commitments, including the development and implementation of mitigation strategies to manage climate-related risks and leverage opportunities.

The Sustainability Team leads meetings with the Sustainability Task Force, which is a broader, cross-functional forum that meets regularly to receive and discuss updates from the Sustainability Team and Sustainability Delivery Groups to raise awareness, share information, and support alignment on priorities and progress on sustainability and climate-related matters across business functions. Members of the Sustainability Task Force provide ad hoc support and communicate directly on sustainability matters within their respective functions and with relevant leaders, including the ELT, as appropriate.

Cross-functional Business Leaders

Business leaders across various functions integrate sustainability and climate-related considerations into their regular decision-making and reporting processes. As part of their responsibilities, leaders across functions such as Operations (including site and facility management), Compliance, Risk, Supply Chain, Procurement, Finance, Internal Audit, and Human Resources routinely inform and provide updates to their ELT leaders, including on sustainability and climate-related matters, where relevant. For example, the Internal Audit Vice President briefs the ELT on the development and maintenance of approaches to GHG emissions monitoring, while Operations provide updates on anticipated and ongoing decarbonisation initiatives at manufacturing sites.

Risk Management

LivaNova's approach to identifying, assessing, and managing climate-related risks and opportunities continues to evolve as the organisation matures and further integrates climate considerations into its business practices. In 2023, LivaNova undertook a dedicated exercise to identify climate-related risks and opportunities informed by industry benchmarking and input from internal key stakeholders, including members of the Sustainability Task Force and qualitative climate scenario analysis, see "Approach to Climate-related Scenario Analysis". The exercise was conducted at the Group level, which considered risks that had been identified for LivaNova's manufacturing sites and then further considered these collectively for LivaNova PLC. In both 2024 and 2025, the Company reassessed the previously identified climate-related risks and opportunities, based on industry benchmarking and cross-functional stakeholder interviews.

In 2025, the consolidated list of the current year's climate-related risks and opportunities was reviewed by a cross-functional Sustainability Delivery Group, which included Operations, Procurement, Compliance, Risk, Legal, Finance, and Internal Audit, and members of the Sustainability Task Force. LivaNova's ERM framework was used as part of the process to assess the probability of occurrence and potential financial, strategic, and reputational impacts of those climate-related risks and opportunities across various time horizons. This approach is aligned with how other risks to the Company are assessed. Implemented, ongoing, and anticipated strategies to mitigate principal climate-related risks and leverage opportunities were reassessed and updated as appropriate with a broader group, including the abovementioned cross-functional Sustainability Delivery Group and additional Cross-functional Business Leaders, including Marketing and Product Management. LivaNova continues to assess and prioritise strategies, consider resource requirements, and implement anticipated actions where appropriate.

Furthermore, in 2025, LivaNova refined the time horizons used to identify and assess climate-related risks and opportunities:

- Short-term is defined as up to 1 year, in line with annual financial planning, and the frequency with which the Company intends to reassess climate-related risks and opportunities;
- Medium-term is 1-5 years, in alignment with one corporate strategic planning cycle; and
- Long-term is 5-10 years, encompassing two cycles of corporate strategic planning.

This change aligns with LivaNova's ERM framework and corporate strategic planning across broader business areas.

Climate-related risks are embedded within LivaNova's ERM framework, which is part of the Company's comprehensive Risk Management Programme. As LivaNova continues to mature the tools and processes that underpin the Risk Management Programme, the approach to identifying, assessing, and monitoring climate-related risks will correspondingly evolve. Through the Risk Management Programme, risks are systematically identified, assessed, monitored, and mitigated across all business areas. Updates on significant risks and mitigation strategies are communicated to the ELT and the Board, on a regular basis.

Approach to Climate-Related Scenario Analysis

In 2023, LivaNova used three climate scenarios to assess the potential impact of climate-related risks and opportunities on the business. The selected climate scenarios represent high-, medium-, and low-emissions scenarios, based on the approach taken by peer companies and on guidance from the internationally recognised data sets and models developed by the IPCC and the IEA, and non-binding guidance of the UK Department for Business, Energy, and Industrial Strategy¹ for CFD.

1. Aggressive Climate Action scenario: 1.5°C warming by 2100²
 - a. Emission reductions in line with CFD disclosure requirements and the Paris Agreement (2016), marked by global collaboration among governments, industry, and society, leading to steep decarbonisation.
 - b. Global collaboration to start reducing emissions now in an aggressive way to meet the Paris Agreement goals.
2. Moderate Climate Action scenario: ~2–2.5°C warming by 2100³
 - a. Emissions are curbed based on existing policies and announced commitments, including NDCs⁴, but fall short of meeting the Paris Agreement targets.
3. Current Climate Action scenario: ~4°C warming by 2100⁵
 - a. Baseline of how global emissions would evolve if governments made no changes to their existing policies.
 - b. Emissions continue to increase with no changes to current policies, doing very little, if anything, to avert the physical risks.

Each principal climate-related risk and opportunity was assessed according to the above three climate scenarios in the short-, medium-, and long-term. Potential impacts were documented and used to inform the planned actions to mitigate risks and leverage opportunities described in the tables set out below. LivaNova intends to refresh the group-level climate scenario analysis every three years or as appropriate.

Strategy

Following LivaNova's 2025 reassessment of climate-related risks and opportunities, the Company's principal risks remain unchanged compared to the prior year analysis.

The table below outlines the principal climate-related risks and opportunities identified in 2025, and, at a high level, the potential impacts of such risks and opportunities, and LivaNova's completed and ongoing actions to mitigate risks and leverage opportunities. Mitigating actions that were implemented prior to 2025 can be found in previous years' disclosures.

To further integrate climate-related matters throughout the Company, the Sustainability Team has, in collaboration with the Sustainability Delivery Groups and the Sustainability Task Force, also continued to develop initiatives to expand and strengthen its communication protocols to raise awareness among LivaNova's internal and external stakeholders on climate-related risks, impacts, and opportunities, as well as related metrics and targets. A few examples include:

- Semi-annual sustainability webcasts within the Company;
- Documented procedures and materials;

¹ Department for Business, Energy, and Industrial Strategy (Mandatory CFD by publicly quoted companies, large private companies, and LLPs).

² IPCC SSP1-2.6 (Physical risk) and IEA Net Zero Emissions by 2050 (Transition risk).

³ IPCC1 SSP2-4.5 (Physical risk) and IEA Stated Policies Scenarios (Transition risk).

⁴ NDCs set out country-specific commitments under the Paris Agreement to reduce national greenhouse gas emissions and to adapt to the impacts of climate change.

⁵ IPCC1 SSP5-8.5 (Physical risk) and IEA Current Policies Scenarios (Transition risk).

STRATEGIC REPORT

Business Overview

- Virtual and in-person training and engagement sessions; and
- Collaboration with customers to align on sustainability priorities.

Physical Risks

Risk Type	Risk Description	Potential Impact	Time Horizon	Key Mitigating Actions in 2025
Chronic and acute risks (rising temperatures, more frequent/intense hurricanes, flooding, drought, extreme temperatures)	Asset closures, supply chain disruptions, and damage to assets/facilities	<ul style="list-style-type: none"> • Lost revenue due to closure of LivaNova's/suppliers' assets and supply chain disruptions, resulting in the limitation of output or the inability to produce and provide products to customers • Increased repair cost to address damage caused by acute physical risks • Increased cost associated with asset/facility rehabilitation, relocation, or to address damage caused by acute physical risks • Increased property insurance cost 	Medium- and long-term, with frequency and impact expected to increase over time	<ul style="list-style-type: none"> • Expanded implementation of operational changes to limit impact on inventory, including warehouse management software to streamline stock replenishment, order fulfilment, and inventory forecasting • Increased inventory safety stock within supply chain management across sites • Increased finished goods inventory for cardiopulmonary equipment • Established an additional location for inventory of cardiopulmonary disposables • Activated and continued to expand measures to reduce single-sourced materials through diversifying suppliers, in-sourcing, and R&D investment to reformulate products • Maintained insurance which includes property coverage for natural hazards, in addition to a risk improvement service which estimates loss scenarios and provides risk improvement advice related to natural hazards • Continued to regularly evaluate asset hardening/resilience investments
Chronic and acute risks (rising temperatures, more frequent/intense hurricanes, flooding, drought, extreme temperatures)	Negative impacts on employees (reduced productivity, absenteeism)	<ul style="list-style-type: none"> • Lost revenue due to reduced employee productivity • Lost revenue due to employee absenteeism (heat-related illness or inability to commute to work) • Increased cost associated with employee health insurance • Increased cost associated with employee attraction and retention due to employees relocating from areas impacted by climate change 	Medium- and long-term, with frequency and impact expected to increase over time	<ul style="list-style-type: none"> • Continued to upgrade manufacturing sites and offices to limit impact on employees, including the installation of air-conditioning • Continued to provide flexible and remote ways of working • Maintained certifications for ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System) for manufacturing sites in Mirandola and Munich, and administrative offices in Gloucester and Milan

Transition Risks

Risk Type	Risk Description	Potential Impact	Time Horizon	Key Mitigating Actions in 2025
Technology	New and alternative technology investments	<ul style="list-style-type: none"> • Increased operating cost driven by U.S., EU, UK, and other national regulations 	Short-, medium-, and long-term	<ul style="list-style-type: none"> • Initiated an LCA pilot for a cardiopulmonary disposable to identify opportunities to reduce waste streams and reduce material usage • Implementing more efficient technologies for operations
Policy and Legal	Regulatory compliance, including but not limited to, requirements to make detailed disclosures about climate-related matters, packaging regulations, and measures regulating specific substances such as EtO	<ul style="list-style-type: none"> • Increased cost of modifying products and processes to comply with enhanced sustainability reporting requirements, e.g., related to emissions, air pollution (e.g., EtO), and product LCAs, including operations waste, use of sold products, end of life treatment of products and packaging, and circular economy • Increased risk of lawsuits, financial and reputational repercussions • Lost revenue resulting from reduced market access 	Short-, medium-, and long-term	<ul style="list-style-type: none"> • Updated Board committee charters with respect to sustainability in anticipation of new regulatory measures • Optimised the degassing energy per sterilisation cycle at the Mirandola facility to reduce EtO consumption, in response to the EU Medical Device Coordination Group (MDCG) EtO regulation • Matured LivaNova's GHG emissions accounting process by implementing software that increases automation and leverages efficiencies • Increased internal resources to monitor emerging regulations • Initiated an LCA pilot for a cardiopulmonary disposable to identify opportunities to reduce waste streams and material usage • Continued engagement with industry trade associations to monitor and participate in discussions on regulations and policy • Exploring governance and cross-functional process for further product lifecycle management and assessments, as appropriate

STRATEGIC REPORT
Business Overview

Risk Type	Risk Description	Potential Impact	Time Horizon	Key Mitigating Actions in 2025
Market	Changing customer behaviour/preferences (e.g., packaging, data on product lifecycle management)	<ul style="list-style-type: none"> Lost revenue due to not meeting changing customer requirements around sustainability, e.g., the UK National Health Service's Carbon Reduction Plan requirement, increasing customer requirements on sustainability in tenders Increased cost of modifying products and processes to meet changing customer preferences 	Medium- and long-term	<ul style="list-style-type: none"> Launched a programme to reduce freight costs, packaging, emissions, and installation time for cardiopulmonary equipment Improved packaging to reduce freight costs and packaging, and increase recycling and customer benefits through lower packaging volume for neuromodulation devices Initiated an LCA pilot for a cardiopulmonary disposable to identify opportunities to reduce waste streams and material usage Maintained certifications for ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System) for manufacturing sites in Mirandola and Munich, and administrative offices in Gloucester and Milan Collated customer feedback to inform decisions and priorities to meet customer requirements Continued to evolve sustainability communication protocols to educate internal stakeholders, through internal reference resources and virtual/in-person engagements Continued to evolve sustainability communication protocols to educate external stakeholders (suppliers, distributors, and customers) through virtual/in-person engagements Exploring governance and cross-functional process for further product lifecycle management and assessments, as appropriate
Market	Changing dynamics in raw material and utility markets	<ul style="list-style-type: none"> Increased cost of inputs and raw materials Increased cost of utilities driven by market responses to policies Increased cost sensitivity to carbon taxes Increased capital expenditures to address utility uncertainty 	Medium- and long-term	<ul style="list-style-type: none"> Expanded installation of charging points for electric vehicles, which are currently active in manufacturing sites in Houston, Mirandola, and Munich Implemented a logistics optimisation initiative to increase efficiency and reduce costs and emissions for transportation of products between Mirandola and Milan Obtained third-party energy audits for manufacturing sites in Arvada, Houston, Mirandola, and Munich, to assess energy optimisation opportunities, to support the Company in meeting its commitment to achieving Net Zero by 2050 and interim 2033 targets Continued to monitor commodity and input prices and consider hedging as part of procurement and supply chain resiliency planning, for example in response to the EU Carbon Border Abatement Mechanism Developing a roadmap to reduce scope 1, 2, and 3 emissions, in line with LivaNova's commitment to achieving Net Zero by 2050 and interim 2033 targets

Transition Opportunities

Opportunity Type	Opportunity Description	Potential Impact	Time Horizon	Key Actions to Leverage Opportunity in 2025
Market	Reduced packaging and waste management	<ul style="list-style-type: none"> Reduced costs due to the need for fewer materials and lower transportation costs Increased customer satisfaction due to fewer materials and enhanced waste management 	Short- and medium-term	<ul style="list-style-type: none"> Launched a programme to reduce freight costs, packaging, emissions, and installation time for cardiopulmonary equipment Improved packaging to reduce freight costs and packaging, and increase recycling and customer benefits through lower packaging volume for neuromodulation devices Continued partnerships with industry trade associations to identify alternatives for primary and secondary packaging Continued to consider product-related sustainability regulations within LivaNova's standard operating procedure for regular assessment of such requirements (including packaging) Exploring governance and cross-functional process for further product lifecycle management and assessments, as appropriate
Market	Increased supply chain resilience	<ul style="list-style-type: none"> Increased revenue and market share due to the reliability of and resilience of LivaNova's supply chain relative to competitors 	Medium- and long-term	<ul style="list-style-type: none"> Launched a programme to reduce freight costs, packaging, emissions, and installation time for cardiopulmonary equipment Implemented optimisations for cardiopulmonary equipment to reduce costs of goods sold and material use, and increase customer value Continued to regularly evaluate asset hardening/resilience investments
Market	Reduced sensitivity to carbon pricing	<ul style="list-style-type: none"> Decreased cost sensitivity due to compliance with carbon tax and levies as they increase 	Long-term	<ul style="list-style-type: none"> Implemented a logistics optimisation initiative to increase efficiency and reduce costs and emissions for transportation of products between Mirandola and Milan Launched a programme to offer customers to return cardiopulmonary equipment in the U.S. for recycling Expanded the sourcing of renewable energy certificates, which in 2025 covered 100% of electricity consumption in manufacturing sites in Mirandola and Munich, LivaNova site management operations in Saluggia, and administrative office in Milan, and 99% of electricity consumption in the manufacturing site in Houston Continued to mature GHG emissions data to enable more accurate reporting and planning for decarbonisation, and the potential need for carbon offsets Developing a roadmap to reduce scope 1, 2, and 3 emissions, in line with LivaNova's commitment to achieving Net Zero by 2050 and interim 2033 targets

Based on the climate scenario analysis undertaken previously, the Company has not identified any material concerns relating to the resilience of the business to climate-related risks in any of the scenarios used. Many of the principal risks outlined in the table above are not unique to LivaNova. These risks are also faced by the Company's peers in the wider healthcare sector. Considering the medium- and long-term onset of the remaining identified principal risks, LivaNova anticipates the Company to be well positioned to implement actions necessary to remain resilient in the face of evolving climate-related risks. To support this, LivaNova takes the identified matters into account during financial planning, among other things, where appropriate and continues to assess its sustainability approach and mature its priorities in line with the global regulatory landscape, stakeholder expectations, and LivaNova's sustainability commitments.

Metrics and Targets

As stated in the Company's Carbon Reduction Plan, which is approved annually by the Board, LivaNova is committed to achieving Net Zero GHG emissions by 2050 and the Company's interim GHG emissions reduction targets outlined below. Achieving these targets and the Company's progress towards achieving them will depend on a range of factors which will evolve over time, many of which may be outside of the Company's control, including, for example, policy, regulatory, and market developments, and the global energy mix. The Company monitors its GHG emissions to track progress against these targets and details of progress to date are set out below:

STRATEGIC REPORT

Business Overview

Metrics and Targets	Unit	FY 2022 (Baseline year)	FY 2023	FY 2024	FY 2025 (Progress to date)
54.6% scope 1 and 2 GHG emissions reduction by 2033 ⁽¹⁾	tCO ₂ e	13,565.00 (scope 1), 8,643.80 (scope 2 market-based)	11,197.00 (scope 1), 9,814.47 (scope 2 market-based)	14,190.16 (scope 1), 7,829.64 (scope 2 market-based)	18,533.87 (scope 1), 4,272.89 (scope 2 market-based)
Total scope 1 and 2 (market-based) GHG emissions	tCO ₂ e	22,208.80	21,011.47	22,019.80	22,806.76

⁽¹⁾ Based on limiting global warming to 1.5°C aligned pathway.

In addition, LivaNova has adopted a near-term scope 3 GHG emissions reduction target of 27.5% by 2033 from a 2022 baseline, based on limiting global warming to 2°C aligned pathway. The total scope 3 baseline is yet to be established.

For further details on LivaNova’s scope 1 and 2 GHG emissions, refer to the section entitled “2025 Greenhouse Gas Report” in this Annual Report. This includes details of the Company’s methodologies and approach to monitoring GHG emissions, which also apply to the GHG emissions described in the table above.

2025 Greenhouse Gas Report

This GHG report is prepared in compliance with the Companies Act 2006 (Strategic Report and Directors’ Report) Regulations 2013 and the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implement the UK Government’s policy on SECR. LivaNova has committed to achieving Net Zero by 2050 and has set interim GHG emissions reduction targets to meet by 2033. For further detail, refer to the section entitled “Non-Financial & Sustainability Information Statement,” including the CFD in this Strategic Report.

Methodology and Approach

In reporting the emissions data as shown in the table herein, LivaNova used the operational control approach, covering the reporting period from 1 January 2025 to 31 December 2025, in line with the Company’s financial year.

LivaNova follows the principles and guidance of the World Resources Institute and the World Business Council for Sustainable Development’s Greenhouse Gas Protocol Initiative’s *A Corporate Accounting and Reporting Standard, Revised Edition* and *GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol Corporate Standard* to assess, calculate, and report direct and indirect GHG emissions.

LivaNova’s GHG disclosures, including the GHG calculation and estimation methodology, are subject to certain limitations, reflecting the significant and inherent measurement uncertainty involved in quantifying GHG emissions. These limitations arise from factors such as the availability of high-quality data, reliance on data provided by third parties that may not have been subject to independent verification, and the need to apply estimates where direct measurements are unavailable or impractical. Where data is not available or consistently available year on year, there may be an impact to data quality which may result in revisions to reported data going forward, i.e., certain data may not be reconcilable or comparable year on year. Further, the methodologies and scenarios LivaNova uses to measure, calculate, and/or set climate-related metrics and targets (refer to the section entitled “Non-Financial & Sustainability Information Statement,” including the CFD in this Strategic Report) and the way in which they are applied are maturing over time in line with regulation and/or developments in scientific knowledge and evolving industry models, methodologies, emissions factors, and improvements in processes to collect, process, and calculate data, among other things. Such developments may result in revisions to reported GHG emissions data which may impact the year-on-year reconcilability or comparability of data reported.

The Company has applied the emission factors most relevant to the source data, including the Global Warming Potential value defined by the IPCC’s Fifth Assessment Report (AR5 – 100 years) for refrigerants at manufacturing and standalone sites; Emissions & Generation Resource Integrated Database 2023 (2025 release) by the U.S. Environmental Protection Agency for natural gas, electricity, and propane in U.S. locations, and diesel, gasoline, and ethanol in Brazil; DEFRA – GHG Conversion Factors for Company Reporting 2025 for natural gas and electricity in UK locations, natural gas, diesel, gasoline, liquid petroleum gas, and methane in the UK and all other locations, and heating in Poland and Russia; and the IEA emission factors 2025, or other local emissions factors where available, for electricity and heating in all other locations.

GHG emissions resulting from manufacturing sites, administrative offices, and the use of owned and leased vehicles were calculated based on the actual consumption from utility provider invoices, landlord energy statements, or internal records of consumption, where available. Where activity data was not available, estimates have been used. To comply with the SECR requirements to disclose annual energy use, transport fuel consumption used for mobile combustion (including diesel, gasoline, liquid petroleum gas, and ethanol) was converted from litres to kWh using the Net Calorific Values published by DEFRA in 2025. Natural gas and diesel used for stationary combustion was converted from the relevant consumption units (such as cubic metres, centum cubic feet (CCF), therms, gigajoules (GJ), and metric million British thermal units (MMBtu)) to kWh using the

STRATEGIC REPORT
Business Overview

conversion constants from the NIST, which leverages conversion factors from the U.S. Energy Information Administration and the IPCC.

Within organisational and operational boundaries, LivaNova quantifies and reports on carbon dioxide equivalent (CO₂e) emissions inclusive of the following GHG:

- a. carbon dioxide (CO₂),
- b. methane (CH₄),
- c. nitrous oxide (N₂O),
- d. hydrofluorocarbons (HFCs),
- e. perfluorocarbons (PFCs), and
- f. sulphur hexafluoride (SF₆).

LivaNova is not aware of any nitrogen trifluoride (NF₃) within the Company’s organisational and operational boundaries.

During the 2025 maturation of its data gathering process and GHG calculation methodology, LivaNova worked with third-party assistance with respect to its global scope 1 and 2 emissions.

GHG Emissions

In accordance with the SECR requirements, LivaNova reports on its direct and indirect emissions under its operational control globally, including its six manufacturing sites, LivaNova site management operations in Saluggia, administrative offices, and the use of owned and leased vehicles, as follows:

- Scope 1 – Direct GHG emissions from sources that are owned or controlled by the Company such as stationary combustion (including natural gas and diesel), fugitive emissions, and mobile combustion in vehicles that are owned or leased by the Company.
- Scope 2 – Indirect emissions from the consumption of purchased electricity and heating at the Company’s owned or controlled sites, as well as purchased electricity consumed in vehicles that are owned or leased by the Company.

See the data table below for LivaNova’s GHG emissions (tonnes CO₂e) and total energy used (GWh) in 2025 and 2024. LivaNova is not required to report scope 3 emissions under the SECR regime.

	2025				2024 ⁽²⁾			
	UK	UK as a percentage of total	Global (excluding UK)	Total	UK	UK as a percentage of total	Global (excluding UK)	Total
GHG emissions (tonnes CO₂e) ⁽¹⁾								
Direct emissions (scope 1)	15.11	0.08%	18,518.76	18,533.87 ^{(3), (4)}	33.52	0.24%	14,156.64	14,190.16
Indirect emissions (scope 2, location-based)	17.46	0.22%	8,063.20	8,080.66 ⁽⁴⁾	26.77	0.26%	10,405.63	10,432.40
Indirect emissions (scope 2, market-based)	27.27 ⁽⁵⁾	0.64%	4,245.62	4,272.89	26.77	0.34%	7,802.87	7,829.64
Total scope 1 and 2 (market-based) emissions	42.38	0.19%	22,764.38	22,806.76	60.29	0.27%	21,959.51	22,019.80

- (1) Improvements in LivaNova’s processes to collect, assess, and calculate GHG emissions data have resulted in a number of changes in the way emissions data has been calculated for FY 2025 as compared to FY 2024.
- (2) Due to an administrative error, the final version of the table containing FY 2024 GHG emissions data was not included in the FY 2024 Annual Report. The FY 2024 GHG emissions data in the table above has been updated to reflect the final version of that table. Compared to data disclosed in the FY 2024 UK Annual Report, as a result of the correction of this error, reported UK scope 1 shows an increase of 101.20%, reported UK scope 2 (location-based and market-based equally) shows an increase of 34.19%, and reported UK total scope 1 and scope 2 (market-based) shows an increase of 64.68%.
- (3) Scope 1 emissions data for FY 2025 shows an increase in emissions since FY 2024 which is attributable to new refrigerant equipment and methodology developments.
- (4) A review of heating sources during FY 2025 identified that certain locations which had in FY 2024 been understood to use natural gas for heating (classified as scope 1) instead used district heating or electric heating (classified as scope 2). The FY 2025 data reported in this table reflects the reclassification of the emissions from these locations from scope 1 to scope 2.

STRATEGIC REPORT

Business Overview

- (5) Scope 2 market-based emissions data for the UK in FY 2025 shows an increase in emissions since FY 2024. This is attributable to the supplier specific fuel mix for electricity supplied to one of LivaNova's UK sites being higher than the UK electricity grid mix. This was identified during a review in FY 2025. The relevant LivaNova UK site has since relocated and has also changed electricity provider.

	2025				2024			
	UK	UK as a percentage of total	Global (excluding UK)	Total	UK	UK as a percentage of total	Global (excluding UK)	Total
Energy consumption (GWh)								
Scope 1	0.08	0.12%	65.01	65.09	0.18	0.25%	71.96	72.14
Scope 2	0.10	0.43%	22.98	23.08	0.13	0.50%	26.42	26.55
Total scope 1 and 2 energy used	0.18	0.20%	87.99	88.17	0.31	0.32%	98.38	98.69
Intensity ratios								
Scope 1 and 2 (market-based) emissions/net revenue (tonnes CO ₂ e/ US\$M)	-	-	-	16.43	-	-	-	17.57
Scope 1 and 2 (market-based) emissions/FTE (tonnes CO ₂ e/ FTE)	-	-	-	7.04	-	-	-	7.44

In FY 2025, the majority of manufacturing sites scaled their output to support strong business performance (with total net revenue increasing by 10.7% in FY 2025 compared to FY 2024). While total CO₂e emissions (scope 1 and 2 market-based) increased by 3.57%, emissions intensity (tonnes CO₂e per net revenue (US\$M)) improved by 6.47%, as a result of procurement of renewable electricity certificates, energy-efficiency measures, and matured methodology for GHG emissions data collection and calculation. These results reflect progress in emissions performance alongside revenue growth, supported by the aforementioned measures.

For details on LivaNova's GHG emissions targets, refer to the section entitled "Non-Financial & Sustainability Information Statement," including the CFD in this Annual Report.

Energy Efficiency Measures

As part of LivaNova's efforts to reduce the Company's GHG emissions, LivaNova continues to implement energy efficiency and decarbonisation measures as they relate to scope 1 and 2 emissions. For example, LivaNova utilises environmental management systems to help reduce the impact on the environment and employees throughout the Company's operations, and the manufacturing sites in Mirandola and Munich, and administrative offices in Gloucester and Milan are certified to the ISO 14001 international standard for designing and implementing environmental management systems. In 2025, renewable energy certificates were procured covering 100% of the electricity consumption in LivaNova's manufacturing sites in Mirandola and Munich, LivaNova site management operations in Saluggia, and administrative office in Milan, and 99% of the electricity consumption in LivaNova's manufacturing site in Houston. In addition, the Company continues to retrofit lighting systems to LED lighting and automated lighting systems; update heating, ventilation, and air conditioning systems; optimise manufacturing processes and logistics to reduce energy use; improve packaging to reduce material use; add hybrid vehicles to the European fleet; and install electric vehicle charging stations at multiple sites to support employees and visitors to commute using electric and hybrid vehicles. Additional ongoing efforts include developing a roadmap to reduce scope 1, 2, and 3 emissions, in line with LivaNova's commitment to achieving Net Zero by 2050 and interim GHG emissions reduction targets by 2033, and increasing awareness around decarbonisation planning. LivaNova continues to assess and review other potential measures.

Compliance

LivaNova's commitment to integrity starts with the Company's Code of Conduct, which sets the tone of the Company's organisational culture and outlines the key expectations of behaviour for LivaNova employees, officers, and directors. In 2025, LivaNova updated the Code of Conduct to reinforce its commitment to operating ethically and in compliance with applicable laws and regulations. The updated Code of Conduct provides additional guidance on evolving topics, including AI, social media, and sustainability, and further expands on areas particularly relevant to the medical technology industry, including anti-bribery, anti-corruption, and human rights. The Code of Conduct continues to be supported by mandatory training and communications designed to promote awareness and accountability across the organisation.

STRATEGIC REPORT

Business Overview

LivaNova is fully committed to maintaining the highest standards of ethical conduct and regulatory compliance across all aspects of its business. To that end, the Company has implemented a comprehensive and effective compliance programme, which aligns with the seven core elements outlined by the Office of Inspector General of the HHS to ensure that the Company meets and exceeds the expectations set for organisations in the medical device industry. LivaNova's compliance programme is built on a foundation of clearly defined written policies and procedures, which are regularly updated to reflect the latest legal requirements and industry standards. These policies address key areas including anti-bribery, anti-corruption, appropriate interactions with healthcare professionals and patients, and conflicts of interest. The Company is committed to complying with both local and global regulations, including anti-bribery and anti-corruption laws such as the FCPA, UK Bribery Act, and the ECCTA. The Company certifies to, and complies with, major industry codes, including the MedTech Europe Code of Ethical Business Practice and the various AdvaMed Codes of Ethics.

To ensure the effectiveness of the compliance programme, oversight is provided by its CCO, the AC Committee of the Board, and the ELT Compliance Committee. This governance model, which includes leaders across the organisation, works to ensure ongoing compliance programme effectiveness, adherence to all legal and regulatory requirements, and identification and mitigation of risks on a continual basis.

LivaNova prioritises effective training and communication for all employees, tailoring its programmes to address specific roles and regulatory challenges in the medical device industry. The compliance training programme consists of core training on the Code of Conduct and basic anti-bribery and anti-corruption concepts for all employees as well as role-based training on specific topics, including those for field-based personnel. This training is regularly refreshed and made available to employees worldwide to ensure a deep understanding of compliance obligations, product regulations, and the ethical standards it upholds.

Open and transparent communication is a core pillar of LivaNova's compliance culture. Employees and third parties are always encouraged to raise questions or concerns in good faith directly to LivaNova leadership, Compliance, Human Resources, or Legal. Additionally, employees and third parties may contact the LivaNova Ethics HelpLine, which is available globally, 24/7 and in many languages, where they may report concerns about potential violations of the Code of Conduct, policies and procedures, or applicable laws and regulations. Senior leadership communicates its unwavering commitment to ethical conduct regularly, reinforcing the importance of compliance at every level of the organisation.

LivaNova's monitoring and auditing programme assesses ongoing compliance and informs the continuum of compliance tactics. LivaNova conducts risk-based audits and live monitoring to ensure business practices comply with the Company's high ethical standards and policy. This proactive approach helps LivaNova address issues before they escalate, ensuring continued adherence to both industry codes and global anti-bribery and anti-corruption laws.

LivaNova enforces its disciplinary policies consistently and fairly, with clear consequences for non-compliance. Employees are fully aware of the actions that may be taken if company policies or legal requirements are violated. Investigations are overseen by the Head of Global Investigations and the internal Investigations Committee to ensure reasonable, fair, and consistent treatment and discipline across all matters. On a quarterly basis, the CCO reports all critical matters to the AC Committee of the Board. Immediate escalations and referrals directly to the Chair of the AC Committee are handled in accordance with the Company's internal investigation procedure.

Finally, when compliance issues are identified, LivaNova takes swift corrective actions to address the root cause and prevent future occurrences. The Company is committed to continually improving its programme, learning from any incidents, and enhancing its policies, training, systems, and practices to mitigate future risks.

LivaNova aims to conduct business with third parties who share the Company's commitment to operating in a responsible and ethical manner. To that end, LivaNova also maintains a Third-Party Code of Conduct outlining the minimum standards in a variety of areas in which LivaNova requires the Company's partners to comply when doing business with or for LivaNova – including in the areas of human rights and labour conditions, conflict minerals, environment and sustainability, anti-bribery and anti-corruption, anti-trust and fair competition, trade compliance, confidentiality and data privacy, and intellectual property – in addition to all applicable laws, regulations and industry standards. Additionally, LivaNova respects the human rights of all LivaNova employees and those in the Company's value chain, demanding a safe, clean working environment; freedom from discrimination and coercion; a prohibition on the use of child or forced labour; and respect for the rights of privacy and protection of access to personal information. The Company's Modern Slavery Statement, which is available on the LivaNova homepage, is updated annually and clearly defines the Company's commitment to eradicating slavery and human trafficking from LivaNova's business activities and supply chains.

By maintaining a strong and effective compliance programme, LivaNova upholds its responsibility to its patients, customers, employees, and stakeholders. LivaNova is proud to comply with both the medical device industry's codes of conduct and global anti-bribery and anti-corruption laws, ensuring that its business is conducted with the highest standards of integrity and accountability at all times.

Information Security

Cyber Risk Management and Strategy

LivaNova's ERM process consists of risk identification, evaluation, control and monitoring, and documentation. The Board oversees risk management within the Company, and the legal and compliance teams work in tandem to provide the framework to identify and reduce risks that may materially impact the Company's business. As part of the ERM process, regular inquiries and discussions are held with, among others, the CISO, Chief Information Officer, Vice President of Digital Health, Chief Privacy Officer, and their respective teams to review the cybersecurity risk landscape.

LivaNova's CISO has a Master of Science in Cybersecurity with a specialisation in technical security and incident response, in addition to over 15 years of experience in the cybersecurity and IT space. The CISO leads the Company's cybersecurity team, identifies cybersecurity threats, and implements countermeasures in the cybersecurity realm, considering both internal operations and the external landscape. As part of his duties, the CISO provides relevant information in connection with regular enterprise risk assessments. The CISO also manages the Company's cyber risk and assurance programme. Guided by the principles of various industry-leading standards, such as the NIST cybersecurity framework and ISO 27001, the objective of LivaNova's cyber risk and assurance programme is to continue to strengthen LivaNova's cybersecurity resilience.

As part of LivaNova's cyber resiliency strategy and in an effort to mitigate potential cybersecurity risks, the Company employs various measures, including employee security awareness training, systems monitoring, testing and maintenance of protective systems, and contingency plans. In addition, the CISO manages a structured cybersecurity incident response programme where periodic simulation exercises are performed to prepare and train the Company's cybersecurity incident responders. The Company deploys multiple security processes, tools, and security architectures to help bolster its defence detection capabilities. LivaNova regularly evaluates itself for appropriate business continuity and disaster recovery planning, with test scenarios that include simulations and penetration tests.

In addition, LivaNova routinely engages with third-party service providers to conduct evaluations of its security controls, whether through penetration testing, security assessments, or consulting on best practices to address evolving cyber threats. The Company receives threat intelligence from industry peers, government agencies, industry-specific information sharing and analysis centres, and cybersecurity associations. The Company relies heavily on its supply chain to deliver products and services to its customers, and a cybersecurity incident at a supplier, subcontractor, or service provider could adversely impact the Company. The Company assesses third-party cybersecurity controls through its cybersecurity programme and includes security and privacy addendums to its contracts where applicable.

Historically, risks from cybersecurity threats have not materially affected the Company's business strategy, results of operations, or financial condition. As previously disclosed, in November 2023, the Company initiated its cyber response protocol in response to a cybersecurity incident that resulted in a disruption of portions of its IT systems. The incident was contained, and the Company's mitigation efforts are considered complete, but any future cybersecurity incident has the potential to materially affect the Company's results of operations, cash flows, and financial condition. For a description of the Company's evaluation of its disclosure controls and procedures, management's report on internal control over financial reporting, and changes in internal control over financial reporting, see the "Business Review" section in this Strategic Report.

Cyber Governance

On a regular basis, the CISO presents key security updates and metrics to the Company's Executive Team as well as the IT Advisory Council, which is composed of functional leaders across the Company and is responsible for IT governance oversight in the Company. On an annual basis, the CISO reviews cybersecurity programme achievements and corrective actions with the Company's Executive Team, which is a cross-functional group composed of the CEO, the CFO, the CLO, or their designees, and other executive leaders of the Company. During 2025, the CISO reported to the CLO; as of January 2026, the role now reports to the CFO.

As codified in its charter, the AC Committee is responsible for reviewing the processes by which cybersecurity risks are managed and reporting any issues that arise out of such reviews to the Board. The CISO provides key security updates and metrics to the AC Committee on a quarterly basis, and directly to the chair of the AC Committee on a case-by-case basis, as needed, at any time during the quarter. The AC Committee reviews these reports, which include, among other things, external events impacting the Company, cybersecurity incidents, and evaluations of user readiness to address cybersecurity incidents. Notwithstanding the Company's approach to cybersecurity, the Company may not be successful in preventing or mitigating future cybersecurity incidents that could have a material adverse effect on the Company. While LivaNova maintains cybersecurity insurance, the costs related to cybersecurity threats or disruptions may not be fully insured. For more information on risks related to cybersecurity and data security, refer to the "Risks and Uncertainties" section under the heading entitled "Risks Relating to the Company's Business and Operations."

Government Regulation and Other Considerations

LivaNova's medical devices are subject to extensive government regulation by numerous government agencies, both within and outside the U.S. These agencies require LivaNova to comply with laws and regulations governing the research, development, testing, manufacturing, labelling, pre-market clearance or approval, marketing, distribution, advertising, promotion, record keeping, reporting, tracking, importing, and exporting of the Company's products. LivaNova's business is also affected by data privacy and security laws, environmental health and safety regulations, and cost containment initiatives worldwide. LivaNova works to ensure compliance with such laws and regulations and continues to monitor applicable laws, which are subject to changing and evolving interpretations.

Product Approval and Monitoring

Many countries in which LivaNova sells its products subject the Company's medical devices to their own product approval and requirements regarding performance, safety, and quality. For example, each medical device that LivaNova seeks to distribute commercially in the U.S. must receive 510(k) clearance or PMA from the FDA, unless specifically exempted by the agency. The 510(k) process, also known as pre-market notification, requires LivaNova to demonstrate that its new medical device is substantially equivalent to a legally marketed medical device. The PMA process, which is more costly and rigorous than the 510(k) process, requires LivaNova to demonstrate independently that a medical device is safe and effective for its intended use. One or more clinical studies may be required to support a 510(k) application and are almost always required to support a PMA application.

The EU has established a single regulatory product approval process, pursuant to which a CE Mark certifies conformity with all of the legal requirements of the regulatory process. To obtain a CE Mark, defined products must meet minimum standards of performance, safety, and quality based on, among other things, the evaluation of clinical data supporting the safety and performance of the products during normal conditions of use. The competent authorities of the EU countries separately regulate the clinical research for medical devices and the market surveillance of products placed on the market, and manufacturers with CE-marked devices are subject to regular inspections to monitor compliance with the applicable directives and essential requirements. In 2017, the EU published its MDR, which has resulted in significant additional pre- and post-market requirements. Certifications to MDR must be achieved by December 2027 or December 2028, based on the risk classification of the device. Penalties for regulatory non-compliance can be severe, including fines and revocation or suspension of a company's marketing authorisation, mandatory price reductions, and criminal penalties.

LivaNova is also required to comply with the regulations of every country in which it commercialises products before the Company can launch or maintain products in the market. Several countries that did not have regulatory requirements for medical devices have established such requirements in recent years, and other countries have expanded, or plan to expand, their existing regulations. While some regulatory bodies have pursued harmonisation of global regulations, requirements continue to differ significantly among countries.

Product and Promotional Restrictions

Both before and after LivaNova releases a product for commercial distribution, the Company has ongoing responsibilities under various laws and regulations governing medical devices. The FDA and other regulatory agencies in and outside the U.S. review LivaNova's design and manufacturing practices, labelling, record keeping, and required reports of adverse experiences and other information to identify potential problems with marketed medical devices. LivaNova is also subject to periodic inspections for compliance with applicable quality system regulations, which govern the methods used in, and the facilities and controls used for, the design, manufacture, packaging, and servicing of finished medical devices intended for human use. In addition, regulatory agencies in and outside the U.S. monitor the manner in which LivaNova promotes and advertises its products. Although healthcare professionals and other prescribers, where applicable, are permitted to use their medical judgement to prescribe medical devices for indications other than those cleared or approved by regulatory bodies, LivaNova is prohibited from promoting products for such "off-label" uses and can only market the Company's products for cleared or approved uses.

Any adverse regulatory action, depending on its magnitude, may limit LivaNova's ability to market and sell its products effectively, limit its ability to obtain future PMAs, or result in a substantial modification to LivaNova's business practices and operations. For additional information, refer to the "Risks and Uncertainties" section of this Annual Report under the section entitled "*LivaNova's products are subject to complex laws and regulations, and failure to obtain or maintain product approvals, clearance, or reimbursement may have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.*"

Governmental Trade Regulations

The sale and shipment of LivaNova's products and services across international borders, as well as the purchase of components and products from international sources, subject LivaNova to extensive governmental trade regulations. Many countries control the export and re-export of goods, technology, and services for public health, national security, regional stability, antiterrorism,

STRATEGIC REPORT

Business Overview

and other reasons. Some governments may impose tariffs, trade restrictions, and economic sanctions against certain countries, persons, or entities. For additional information, see the “Risks and Uncertainties” section of this Annual Report, under the section entitled “*Changes in global trade policies, including the imposition of tariffs, trade restrictions, export controls, sanctions, or other protectionist or retaliatory measures by the U.S. or other jurisdictions, may adversely affect LivaNova’s business, financial condition, and results of operations.*” In certain circumstances, governmental authorities may require LivaNova to obtain approval before LivaNova may export or re-export goods, technology, or services to certain territories and end-users or for certain end-users. Because LivaNova is subject to extensive regulations in the countries in which it operates, the Company is subject to the risk that laws and regulations could change in a way that would expose LivaNova to additional costs, penalties, or liabilities.

LivaNova also sells and provides goods, technology, and services to agents, representatives, and distributors who may export such items to customers and end-users. If these third parties violate applicable export control or economic sanctions laws or regulations when engaging in transactions involving the Company’s products, LivaNova may be subject to varying degrees of liability, depending on the extent of its participation in the transaction. The activities of these third parties may cause disruption or delays in the distribution and sale of LivaNova’s products or result in restrictions being placed on the Company’s international distribution and sale of products, which may materially impact LivaNova’s business activities.

Data Privacy and Security Laws

As a global medical device technology company, LivaNova is subject to various laws worldwide that protect the privacy, security, and confidentiality of certain data, including employee data and patient health information, and restrict the use and unauthorised disclosure of such information. Privacy standards are often strict. Enforcement actions and financial penalties related to privacy issues in the EU continue to grow, and new privacy and data localisation laws and restrictions are being passed in other countries, including the U.S. The management of cross-border transfers of personal information outside of EU member countries is complex, which may complicate LivaNova’s business and clinical research activities, as well as product offerings that involve the transmission or use of patient health information. LivaNova continues to adapt its business processes to comply with those standards and requirements applicable to it.

In the U.S., HIPAA, as amended by the HITECH Act and their respective implementing regulations, imposes specified requirements relating to the privacy and security of certain individually identifiable health information. Among other things, HITECH makes certain of HIPAA’s privacy and security standards directly applicable to “business associates,” essentially defined as service providers of covered entities that create, receive, maintain, or transmit protected health information in connection with providing a service for or on behalf of a covered entity. In certain instances, LivaNova may be considered a business associate. In such instances, the patient data that LivaNova receives may include protected health information, as defined under HIPAA. Related enforcement actions can be costly and may also interrupt LivaNova’s regular business operations. In addition, state laws, such as the CCPA, govern the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways, thus complicating compliance and data protection efforts. Since the CCPA was enacted, other U.S. states have enacted comprehensive and health-related privacy laws. The effects of the CCPA and other recently adopted laws include an increased ability of individuals to control the use of their personal data, heightened transparency obligations, increased obligations of companies to maintain the security of data, and increased exposure to fines or damages for companies that violate these laws, including by not providing individuals their specified privacy rights, not maintaining data security safeguards at specified levels of quality, or experiencing data breaches. For additional information, see the “Risks and Uncertainties” section of this Annual Report, under the section entitled “*Failure to protect, maintain, or upgrade LivaNova’s IT systems or products, or safeguard against cybersecurity incidents, service disruptions, or data corruption could have a material adverse effect on LivaNova’s business, results of operations, financial condition, and reputation.*”

In the EU, the processing of certain data, including employee and patient information, is subject to the privacy, security, and confidentiality provisions set forth in Regulation 2016/679. Under the GDPR, data concerning health constitutes sensitive data. The processing of sensitive data is subject to, among other obligations, appropriate notice and consent requirements. Additional requirements apply with respect to issues such as data sharing, cross-border data transfers, data security, and data breach notification. The GDPR also requires LivaNova to implement a number of accountability measures in relation to the processing of sensitive data, including carrying out Data Protection Impact Assessments and appointing a Data Protection Officer. Administrative fines may be levied for non-compliance with the GDPR’s requirements and can reach the higher of €20 million (\$23.5 million as of 31 December 2025) or up to 4% of LivaNova’s total worldwide annual net revenue for the preceding financial year.

Environmental Regulation and Management

LivaNova is subject to various environmental laws, directives, and regulations both in the U.S. and abroad that have resulted in, and could lead to, increased environmental compliance expenditures and reporting. LivaNova’s ongoing manufacturing and other operations involve the use, storage, and transportation of hazardous and non-hazardous substances regulated under environmental health and safety laws. In addition, governmental authorities have sought to hold LivaNova liable for successor environmental liability violations or may require LivaNova to clean and remove hazardous substances at its sites that were produced by the

STRATEGIC REPORT

Business Overview

operations of prior owners and are unrelated to the Company's current operations. For additional information, refer to "Note 26. Commitments and Contingencies" in LivaNova's consolidated financial statements under the sections entitled "Saluggia Site Hazardous Substances" and "SNIA Environmental Litigation" and the "Risks and Uncertainties" section of this Annual Report, under the section entitled "*LivaNova is subject to heightened scrutiny on issues relating to sustainability, including environmental and sustainability laws and regulations, and the risk of environmental liabilities, violations, and litigation in multiple jurisdictions, any of which could have a material adverse effect on LivaNova's reputation, business, results of operations, cash flows, financial condition, and liquidity*"

Applicability of Anti-Corruption Laws and Regulations

LivaNova's worldwide business is subject to the FCPA, UK Bribery Act, the ECCTA, and other anti-corruption laws and regulations applicable in the jurisdictions where LivaNova operates. The FCPA can be used to prosecute companies in the U.S. for arrangements with healthcare professionals or other parties outside the U.S. if the healthcare professionals or parties are government officials of another country and prohibited payments are made to obtain or retain business. The UK Bribery Act prohibits both domestic and international bribery, as well as bribery across both public and private sectors. In addition, the UK Economic Crime and Corporate Transparency Act 2023 introduces expanded corporate criminal liability, including a new offence for failure to prevent fraud, further increasing compliance obligations for companies operating in or connected to the UK. There are similar laws and regulations applicable to LivaNova outside the U.S. and the UK, all of which are subject to evolving interpretations. For additional information, refer to the "Risks and Uncertainties" section of this Annual Report, under the section entitled "*Failure to comply with anti-bribery laws could have a material adverse effect on LivaNova's business and result in civil and/or criminal sanctions*"

Cost Containment Initiatives

Government and private sector initiatives to limit the growth of healthcare costs, including price regulation, competitive pricing, bidding and tender mechanics, coverage and payment policies, comparative effectiveness of therapies, technology assessments, and managed-care arrangements, are continuing in many countries where LivaNova does business. Government programmes, private healthcare insurance, and managed-care plans have attempted to control costs by limiting the extent of coverage or amount of reimbursement available for particular procedures or treatments, by connecting reimbursement to outcomes, by shifting to population health management, and through other mechanisms designed to constrain utilisation and contain costs. Hospitals are also seeking to reduce costs through a variety of mechanisms, for example, creating centralised purchasing functions that set pricing and, in some cases, limiting the number of vendors that can participate in a given purchasing programme. Hospitals are also aligning their interests with those of healthcare professionals through employment and other arrangements, such as gainsharing, whereby a hospital agrees with healthcare professionals to share certain realised cost savings resulting from the healthcare professionals' collective change in practice patterns, such as standardisation of devices where medically appropriate, and participation in affordable care organisations. Such alignment has created increased levels of price sensitivity among customers for LivaNova's products.

Some third-party payers must also approve coverage and set reimbursement levels for new or innovative devices or therapies before they reimburse healthcare providers that use the medical devices or therapies. Even though a new medical device may be cleared for commercial distribution, LivaNova may find limited demand for the device until coverage and sufficient reimbursement levels have been obtained from governmental and private third-party payers. In addition, some private third-party payers require that certain procedures or the use of certain products be authorised in advance as a condition of coverage.

As a result of LivaNova's manufacturing efficiencies, cost controls, and other cost-savings initiatives, the Company believes it is well-positioned to respond to changes resulting from this worldwide trend toward cost containment. The Company continues to monitor broader economic developments – including inflation, tariffs, and increases in the cost of raw materials, components, labour, and transportation – which may affect production costs and customer pricing behaviour. While these dynamics place continued pressure on pricing, the Company employs a multifactorial approach to price setting to reflect the value delivered by its specialised products, while also providing customers with opportunities for cost efficiencies. Uncertainty remains, however, as to the timing, scope, and impact of future healthcare reforms, macroeconomic conditions, and cost-containment measures, making it difficult to predict their potential effect on future operating results.

Healthcare Fraud and Abuse and Related Laws

The delivery of LivaNova's products is subject to regulation by HHS and comparable state and non-U.S. agencies responsible for reimbursement and regulation of healthcare products and services. LivaNova is subject to U.S. federal and state government healthcare regulations and enforcement imposed primarily in connection with government healthcare programmes, such as the Medicare and Medicaid programmes, as well as healthcare regulations and enforcement imposed by governments in other countries in which LivaNova conducts business.

U.S. federal healthcare laws apply when LivaNova or customers submit claims for items or services that are reimbursed under government healthcare programmes, including laws related to kickbacks, false claims, self-referrals, or other healthcare fraud.

STRATEGIC REPORT

Business Overview

Specifically, the federal Anti-Kickback Statute prohibits persons from, among other things, knowingly and wilfully offering or paying remuneration, directly or indirectly, to a person to induce them to order, purchase, lease, or recommend a good or service for which payment may be made in whole or in part under federal healthcare programmes such as Medicare or Medicaid, unless the arrangement fits within one of several statutory exemptions or regulatory “safe harbours.” Violations of the federal Anti-Kickback Statute may result in civil monetary penalties of up to \$100,000 for each violation, plus up to three times the remuneration involved. Violations can also result in criminal penalties, including criminal fines of up to \$50,000 and imprisonment for up to 10 years. Finally, violations can result in exclusion from participation in government healthcare programmes, including Medicare and Medicaid.

Additionally, violations of the False Claims Act can result in significant monetary penalties and treble damages. The U.S. federal government utilises the False Claims Act, the Anti-Kickback Statute, and similar laws to investigate and prosecute device, pharmaceutical, and biotechnology companies in connection with the promotion of products for unapproved uses, the provision of patient and provider support (e.g., reimbursement support), and other prohibited sales and marketing practices. The U.S. government has obtained multi-million and multi-billion-dollar settlements under the False Claims Act, in addition to individual criminal convictions under applicable criminal statutes. Given the U.S. government’s success in prosecuting claims under the False Claims Act, LivaNova anticipates that the U.S. government will continue to devote substantial resources to investigating healthcare providers’ and manufacturers’ compliance with applicable fraud and abuse laws.

In addition to the Anti-Kickback Statute and False Claims Act, many states have their own laws related to kickbacks, false claims, self-referrals, or other healthcare fraud. These laws do not always have the same exceptions or safe harbours as their federal corollaries and, in some states, apply with respect to all payers, including commercial health insurance companies.

HIPAA includes federal criminal statutes that prohibit, among other actions, knowingly and wilfully executing, or attempting to execute, a scheme to defraud any healthcare benefit programme, including private third-party payers; knowingly and wilfully embezzling or stealing from a healthcare benefit programme; wilfully obstructing a criminal investigation of a healthcare offence; or knowingly and wilfully falsifying, concealing, or covering up a material fact or making any materially false, fictitious, or fraudulent statement in connection with the delivery of or payment for healthcare benefits, products, or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

There is also federal and state regulation of, and transparency with respect to, payments made to physicians and other healthcare providers. LivaNova is subject to, for example, the Physician Payments Sunshine Act, which requires the Company to report annually certain payments and other transfers of value it makes to U.S. licensed physicians, nurse practitioners, physician assistants, or teaching hospitals. Any failure to comply with such laws and regulations may result in civil financial penalties.

In addition, as discussed above, the U.S. and foreign government regulators enforce the FCPA and other anti-bribery laws. These laws and regulations are broad in scope and are subject to evolving interpretation. As a result, LivaNova has been, and will likely continue to be, required to incur substantial costs to investigate allegations, audit and monitor compliance, and/or alter the Company’s practices with respect to these laws. Violations or alleged violations of these laws could result in litigation, and LivaNova may be subject to criminal or civil penalties and sanctions, including substantial fines, imprisonment of current or former employees, and exclusion from participation in governmental healthcare programmes.

Industry Affiliations

To help navigate the complex compliance environment in which the Company operates, LivaNova has adopted the AdvaMed Code of Ethics on Interactions with Health Care Professionals, the APACMed Code of Ethical Conduct, the MecoMed Code of Ethical Business Practice, and the MedTech Europe Code of Ethical Business Practice.

Business Review

Introduction

LivaNova is reporting in its consolidated financial statements in this Annual Report the results from operations for the years ended 31 December 2025 and 2024. The basis of preparation, critical accounting estimates, and material accounting policies used are set forth in “Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies” and “Note 3. Revenue Recognition” in the consolidated financial statements in this Annual Report, which have been prepared in accordance with UK-adopted International Accounting Standards, and with the requirements of the Companies Act 2006, as applicable to companies reporting under those standards. Additionally, LivaNova reported the U.S. GAAP consolidated financial statements for 2025 and 2024 in the Annual Report on Form 10-K filed with the SEC on 25 February 2026.

For 2025, LivaNova reported operating income of \$189.5 million on net revenue of \$1,388.1 million, compared to operating income of \$137.6 million on net revenue of \$1,253.4 million in 2024.

LivaNova identifies operating segments based on how it manages, evaluates, and internally reports its business activities to allocate resources, develop and execute its strategy, and assess performance. LivaNova has two reportable segments: Cardiopulmonary and Neuromodulation. There were no transactions between reportable segments during 2025 and 2024.

LivaNova’s Cardiopulmonary segment is engaged in the design, development, manufacture, marketing, and sale of cardiopulmonary products, including HLMs, oxygenators, autotransfusion systems, perfusion tubing systems, cannulae, and other related accessories, and provides services related to certain of these products.

LivaNova’s Neuromodulation segment is engaged in the design, development, manufacture, marketing, and sale of devices that deliver neuromodulation therapy for treating DRE and DTD. Neuromodulation products include the VNS Therapy System, which consists of an implantable pulse generator, a lead that connects the generator to the vagus nerve, and other accessories. It also includes the development and management of testing of devices for treating OSA.

Key Performance Indicators

The directors of LivaNova consider that the most important KPIs for 2025 are those set out below, which can be found in the Company’s press release dated 25 February 2026, and which are reported under the basis of U.S. GAAP.

Net Revenue Growth (on a constant currency basis, or adjusted net revenue)

Due to the number of currencies in which LivaNova’s sales are invoiced to customers, the directors believe that constant currency sales growth is a more appropriate way to measure operational performance. Constant currency growth measures the change in sales between any particular year and the immediate prior year using average foreign exchange rates during the immediate prior year. Net revenue comprises earnings from product and service sales, net of customer discounts and estimated returns.

Adjusted Operating Income

Income from operations, as measured under U.S. GAAP and adjusted for non-cash transactions and nonrecurring costs, measures LivaNova’s sales and management of normalised operating expenses.

Adjusted Net Income

Adjusted net income reflects LivaNova’s consolidated statement of income (loss) under U.S. GAAP, adjusted for non-cash transactions, nonrecurring costs, certain finance costs, and the related tax effects.

Adjusted EPS

U.S. GAAP EPS, as adjusted for the items referred to above, is a measure often used by investors to arrive at a value for each share issued by a company, including the dilutive effect of incentive shares issued to management.

Share Price

An important KPI to be evaluated over a period longer than one year is the share price, which reflects not only LivaNova’s current financial results, but also management’s ability to articulate medium and longer term strategy and communicate both of these to investors.

Results of Operations

The following table presents LivaNova's annual consolidated results of operations (in thousands):

	2025	2024 Restated ⁽¹⁾
Net revenue	\$ 1,388,053	\$ 1,253,437
Costs and expenses:		
Cost of sales	447,593	399,451
Selling, general, and administrative	554,178	506,818
Research and development	186,015	182,919
Other operating expense	10,815	26,643
Operating income	189,452	137,606
SNIA environmental liability expense	(6,740)	(344,403)
Finance expense	(96,885)	(123,592)
Finance income	40,415	80,114
Share of loss from equity accounted investments	(51)	(18)
Income (loss) before income tax	126,191	(250,293)
Income tax expense	(17,171)	(23,121)
Income (loss) attributable to shareholders of the Group	\$ 109,020	\$ (273,414)

⁽¹⁾ The consolidated statement of income (loss) for the year ended 31 December 2024 and the related analysis below have been restated. For further details, refer to "Note 24. Restatement of Previously Issued Financial Statements" in LivaNova's consolidated financial statements and accompanying notes, beginning on page 68 of this Annual Report.

Net Revenue

The following table presents net revenue by operating segment and geographic region (in thousands):

	2025	2024
Cardiopulmonary		
United States	\$ 275,859	\$ 242,463
Europe ⁽¹⁾	201,044	168,024
Rest of World ⁽¹⁾	308,482	273,025
	785,385	683,512
Neuromodulation		
United States	463,602	441,022
Europe ⁽¹⁾	65,023	54,899
Rest of World ⁽¹⁾	64,187	58,302
	592,812	554,223
Other Revenue ⁽²⁾	9,856	15,702
Totals		
United States	739,573	695,083
Europe ⁽¹⁾	269,176	220,032
Rest of World ⁽¹⁾	379,304	338,322
	\$ 1,388,053	\$ 1,253,437

⁽¹⁾ "Europe" includes the UK, Germany, France, Italy, the Netherlands, Spain, Belgium, Poland, Sweden, Switzerland, Austria, Norway, Portugal, Finland, and Denmark. Excluding Europe and the U.S., "Rest of World" includes all other countries where LivaNova operates.

⁽²⁾ Other revenue includes revenue from the Company's former ACS reportable segment, as well as rental and site services income not allocated to segments.

Cardiopulmonary

Cardiopulmonary net revenue for 2025 increased 14.9% to \$785.4 million compared to 2024, with growth across all regions, driven by strong consumables demand and Essenz Perfusion System sales.

Neuromodulation

Neuromodulation net revenue for 2025 increased 7.0% to \$592.8 million compared to 2024, with growth across all regions.

Cost of Sales and Expenses

The following table presents costs and expenses as a percentage of net revenue:

	2025	2024 Restated
Cost of sales	32.2 %	31.9 %
Selling, general, and administrative	39.9 %	40.4 %
Research and development	13.4 %	14.6 %
Other operating expense	0.8 %	2.1 %

Cost of Sales

Cost of sales consists primarily of direct labour, allocated manufacturing overhead, and the acquisition of raw materials and components.

Cost of sales as a percentage of net revenue was 32.2% for 2025, representing an increase of 0.3 percentage points compared to 2024. The increase was primarily due to unfavourable product mix, partially offset by a decrease in cost of sales from the winding down of the ACS segment.

Selling, General, and Administrative Expense

SG&A expenses are comprised of sales, marketing, general, and administrative activities.

SG&A expenses as a percentage of net revenue were 39.9% for 2025, representing a decrease of 0.5 percentage points compared to 2024. The decrease was primarily due to favourable fixed cost leverage.

Research and Development Expense

R&D expenses consist of product design and development efforts, clinical study programmes, and regulatory activities.

R&D expenses as a percentage of net revenue were 13.4% for 2025, representing a decrease of 1.2 percentage points compared to 2024. The decrease was primarily due to reductions in costs associated with the Company's DTD programme of \$18.9 million, partially offset by an \$11.2 million increase in costs associated with the development of LivaNova's aura6000 System for treating OSA.

Other Operating Expense

The following table presents the components of other operating expense (in thousands):

	2025	2024 Restated
3T litigation provision ⁽¹⁾	\$ 4,378	\$ 13,287
Saluggia site provision ⁽¹⁾	6,614	—
Restructuring (credit) expense ⁽²⁾	(177)	13,356
	<u>\$ 10,815</u>	<u>\$ 26,643</u>

⁽¹⁾ For additional information, refer to "Note 26. Commitments and Contingencies" in the consolidated financial statements in this Annual Report.

⁽²⁾ For additional information, refer to "Note 8. Restructuring" in the consolidated financial statements in this Annual Report.

SNIA Environmental Liability Expense

On 14 March 2025, the Italian Supreme Court issued its decision in response to all of the appeals of the Company and counter-appeals submitted by the Public Administrations. The Italian Supreme Court determined that LivaNova can be held jointly and severally liable for the established liabilities of SNIA at the time of demerger as well as the environmental liabilities of the demerged company that materialised after the demerger which are derived from actions performed prior to the demerger; however, the Italian Supreme Court also ruled that the Company should not be held responsible for certain payments previously approved by the Court of Appeal in the amount of €157 million (\$184.5 million) as of 31 December 2025.

As a result of the 14 March 2025 decision by the Italian Supreme Court, the Company recorded a current liability and environmental liability expense of €332 million (\$344.4 million) as of and for the year ended 31 December 2024. During 2025, LivaNova recorded an addition of the provision of €6.0 million (\$6.7 million), and as of 31 December 2025, the current liability on the consolidated balance sheet was €337.8 million (\$396.2 million), representing the Company's best estimate inclusive of estimated costs, fees, interest, and taxes. These estimated costs do not include the Company's legal fees, which are expensed as incurred and included in SG&A in LivaNova's consolidated statement of income (loss). As of the date of this filing, the Company believes the amount recorded for the SNIA matter remains its best estimate and has determined that it has sufficient resources to satisfy the liability.

STRATEGIC REPORT

Business Review

For additional information, refer to “Note 26. Commitments and Contingencies” of the Company’s consolidated financial statements in this Annual Report.

Finance Expense

The following table presents the components of finance expense (in thousands):

	2025	2024
Interest expense ⁽¹⁾	\$ (52,048)	\$ (65,563)
Fair value loss - 2029 Embedded Derivative ⁽²⁾	(32,085)	—
Fair value loss - Investments	(4,734)	(5,750)
Foreign exchange rate loss	(2,743)	(4,881)
Loss on debt extinguishment ⁽³⁾	(2,651)	(26,148)
Fair value loss - 2025 Capped Calls ⁽²⁾	(2,624)	(13,348)
Fair value loss - 2029 Capped Calls ⁽²⁾	—	(7,902)
	<u>\$ (96,885)</u>	<u>\$ (123,592)</u>

⁽¹⁾ Interest expense decreased primarily due to an early repayment on 2 May 2025 of \$200 million on principal borrowings under the Term Facilities and decreases in interest rates, partially offset by an increase in amortisation of debt issuance costs. For additional information, refer to “Note 15. Financial Liabilities” in the consolidated financial statements in this Annual Report.

⁽²⁾ For additional information, refer to “Note 12. Derivative Financial Instruments” in the consolidated financial statements in this Annual Report.

⁽³⁾ For additional information, refer to “Note 15. Financial Liabilities” in the consolidated financial statements in this Annual Report.

Finance Income

The following table presents the components of finance income (in thousands):

	2025	2024
Interest income ⁽¹⁾	\$ 18,982	\$ 30,075
Fair value gain - 2029 Capped Calls ⁽²⁾	12,816	—
Gain on sale of asset	4,128	—
Fair value gain - 2025 Embedded Derivative ⁽²⁾	2,915	5,739
Fair value gain - 2029 Embedded Derivative ⁽²⁾	—	35,638
Fair value gain - Investment	—	7,144
Other	1,574	1,518
	<u>\$ 40,415</u>	<u>\$ 80,114</u>

⁽¹⁾ Interest income decreased due to a decline in cash and cash equivalents held in interest-bearing depository accounts, primarily resulting from repayments of long-term debt. For additional information, refer to “Note 15. Financial Liabilities” in the consolidated financial statements in this Annual Report.

⁽²⁾ For additional information, refer to “Note 12. Derivative Financial Instruments” in the consolidated financial statements in this Annual Report.

Income Tax Expense

LivaNova PLC is resident in the UK. The Company’s subsidiaries conduct operations and earn income in numerous countries and are subject to the varying laws and income tax rates of the taxing jurisdictions within those countries. As a result of changes in the overall level of the Company’s taxable income, the mix of taxable income in various jurisdictions, changes in unrecognised deferred tax assets, and changes in tax laws, LivaNova’s consolidated effective income tax rate may vary substantially from one reporting period to another.

LivaNova’s effective income tax rate was 13.6% on income before income tax of \$126.2 million and (9.2)% on loss before tax of \$250.3 million for 2025 and 2024, respectively. Compared with 2024, the change in the effective tax rate for 2025 was primarily attributable to year-over-year changes in income before income tax in countries with varying statutory tax rates, certain discrete tax items, including the SNIA environmental liability, and changes in valuation allowances. For additional information, refer to “Note 10. Taxation” in the consolidated financial statements in this Annual Report.

Liquidity and Capital Resources

Based on LivaNova’s current business plan and cash flow projections, the Company believes that its sources of liquidity, which primarily consist of cash and cash equivalents, future cash generated from operations, and available borrowings under its revolving credit facility will be sufficient to meet its uses of liquidity, primarily consisting of day-to-day operating expenses,

STRATEGIC REPORT

Business Review

working capital, capital expenditures, acquisition earnouts, commitments and contingencies, including the SNIA environmental liability, and debt service requirements over the twelve-month period beginning from the issuance date of these consolidated financial statements. From time to time, LivaNova may access debt and/or equity markets to optimise its capital structure, raise additional capital, or increase liquidity, as necessary. LivaNova's liquidity could be adversely affected by the factors affecting future operating results, including those referred to in "Risks and Uncertainties" below and by the contingencies referred to in "Note 26. Commitments and Contingencies" in LivaNova's consolidated financial statements in this Annual Report.

LivaNova's operating and working capital obligations primarily consist of liabilities arising from the normal course of business, including inventory supply contracts, the future settlement of derivative instruments, and future lease payments, as well as contingent consideration arrangements resulting from acquisitions and obligations associated with legal and other accruals.

Cash Flows

The following table presents net cash, cash equivalents, and restricted cash provided by (used in) operating, investing, and financing activities and the net (decrease) increase in the balance of cash, cash equivalents, and restricted cash (in thousands):

	2025	2024
Operating activities	\$ 264,683	\$ 192,568
Investing activities	(72,912)	(48,160)
Financing activities	(296,003)	9,021
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	16,228	(7,745)
Net (decrease) increase in cash, cash equivalents, and restricted cash	<u>\$ (88,004)</u>	<u>\$ 145,684</u>

Operating Activities

Net cash provided by operating activities for 2025 increased \$72.1 million, compared to the prior year, primarily due to higher sales and lower payments related to LivaNova's 3T Heater-Cooler device litigation provision, restructuring activities, and interest expense, partially offset by an increase in cash outflows for inventories, income taxes, and professional services.

Investing Activities

Net cash used in investing activities for 2025 increased \$24.8 million, compared to the prior year, primarily due to an increase in purchases of tangible and intangible assets of \$33.9 million, principally related to purchases and development of internal-use software, partially offset by proceeds of \$6.5 million from the sale of LivaNova's investment in Ceribell, Inc. and proceeds of \$7.2 million primarily from the sale of land to support manufacturing capacity expansion in other locations.

Financing Activities

Net cash used in financing activities for 2025 increased \$305.0 million, compared to the prior year, primarily resulting from repayments of long-term debt obligations in 2025, including an early repayment of \$200 million on principal borrowings under the Term Facilities and the repayment in full of the 2025 Notes at maturity of \$57.5 million.

Debt and Capital

LivaNova's capital structure consists of debt and equity. As of 31 December 2025, LivaNova's total debt of \$371.6 million was 43.4% of its total equity of \$857.0 million.

During 2024, LivaNova received \$335.5 million in proceeds from the issuance of long-term debt and repaid \$247.5 million in long-term debt.

During 2025, LivaNova repaid \$280.9 million in long-term debt.

For additional information on LivaNova's debt obligations, refer to "Note 15. Financial Liabilities" in the consolidated financial statements in this Annual Report.

Subsequent Events

On 8 January 2026, LivaNova paid \$97.7 million in an early repayment of the amount outstanding under the Term Facilities in full, along with accrued interest.

On 18 March 2026, the FDA granted PMA for the aura6000 System. As a result, LivaNova increased the associated contingent consideration provision \$10.7 million during 2026 through the issuance of these consolidated financial statements.

Contractual Obligations

LivaNova has various contractual commitments that the Company expects to fund from existing cash, future operating cash flows, and borrowings under LivaNova's credit facilities.

STRATEGIC REPORT

Business Review

The following table presents the Company's significant contractual obligations and the periods in which such obligations are due (in thousands):

31 December 2025	Less Than One Year	One to Three Years	Three to Five Years	Thereafter	Total Contractual Obligations
Principal payments on debt obligations	\$ 31,271	\$ 65,313	\$ 345,000	\$ 319	\$ 441,903
Interest payments on long-term debt	32,794	29,633	1,797	—	64,224
Lease obligations	12,444	20,798	15,993	34,794	84,029
Inventory supply contract obligations	55,014	8,927	—	—	63,941
Derivative instruments	99	—	83,904	—	84,003
Probability-weighted contingent consideration arrangement	50,030	42,045	—	—	92,075
	<u>\$ 181,652</u>	<u>\$ 166,716</u>	<u>\$ 446,694</u>	<u>\$ 35,113</u>	<u>\$ 830,175</u>

LivaNova has other commitments that the Company is contractually obligated to fulfil with cash under certain circumstances. Obligations under these guarantees are not normally called, as LivaNova typically complies with underlying performance requirements. As of 31 December 2025, no liability has been recorded in the consolidated financial statements associated with these obligations.

The following table presents the Company's guarantees (in thousands):

31 December 2025	Less Than One Year	One to Three Years	Three to Five Years	Thereafter	Total Guarantees
Guarantees on government bids ⁽¹⁾	\$ 4,794	\$ 2,154	\$ 205	\$ 910	\$ 8,063
Guarantees - commercial ⁽²⁾	6	—	41	12,606	12,653
Guarantees to tax authorities ⁽³⁾	1,269	—	—	29	1,298
Guarantees to third parties	255	1	306	426	988
	<u>\$ 6,324</u>	<u>\$ 2,155</u>	<u>\$ 552</u>	<u>\$ 13,971</u>	<u>\$ 23,002</u>

⁽¹⁾ Government bid guarantees include such items as unconditional bank guarantees, irrevocable letters of credit, and bid bonds.

⁽²⁾ Commercial guarantees include the Company's lease and tenancy guarantees.

⁽³⁾ Guarantees to tax authorities consist of guarantees issued to the Italian Revenue Agency.

Market and Credit Risk

The Company is exposed to certain market risks as part of its ongoing business operations, including risks from foreign currency exchange and interest rates, as well as credit risk, that could adversely affect LivaNova's consolidated results of operations, cash flows, and financial position. The Company manages these risks through regular operating and financing activities and derivative financial instruments.

FX Risk

Due to the global nature of LivaNova's operations, the Company is exposed to FX fluctuations. LivaNova uses freestanding derivative forward contracts to offset exposure to the variability of the value associated with intercompany loans denominated in a foreign currency. As of 31 December 2025, a 100 basis point change in the exchange rate of the U.S. dollar against the prevailing market rates of foreign currencies involving balance sheet transactional exposures would not have a material effect on LivaNova's consolidated results of operations, cash flows, or financial position. For additional information, refer to "Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies" and "Note 12. Derivative Financial Instruments" in the consolidated financial statements in this Annual Report.

Interest Rate Risk

LivaNova is subject to interest rate risk on its variable-rate depository accounts and financing arrangement, the Term Facilities. Interest expense associated with the Term Facilities is principally offset by holding proceeds from the Term Facilities in a depository account, which earns a floating rate of interest. As of 31 December 2025, a 100 basis point increase/(decrease) in the interest rates of LivaNova's variable-rate depository accounts would increase/(decrease) interest income on the Company's consolidated statements of income (loss) by \$5.6 million. As of 31 December 2025, a 100 basis point change in the interest rate of the Term Facilities would not have a material effect on LivaNova's consolidated results of operations, cash flows, or financial position. For additional information, refer to "Note 15. Financial Liabilities" in the consolidated financial statements in this Annual Report.

Credit Risk

LivaNova's trade accounts receivable represents potential concentrations of credit risk. This risk is limited due to the large number of customers and their dispersion across a number of geographic areas, as well as LivaNova's efforts to control its exposure to credit risk by monitoring its receivables and the use of credit approvals and credit limits. In addition, LivaNova has historically had strong collections and minimal write-offs. While LivaNova believes that its reserves for credit losses are adequate, essentially all of the Company's trade receivables are concentrated in the hospital and healthcare sectors worldwide, and accordingly, LivaNova is exposed to their respective business, economic, and country-specific variables. Although LivaNova does not currently foresee a concentrated credit risk associated with these receivables, repayment is dependent on the financial stability of these industry sectors and the respective countries' national economies and healthcare systems.

LivaNova mitigates its credit risk relating to counterparties of its derivatives through a variety of techniques, including transacting with multiple, high-quality financial institutions, thereby limiting the Company's exposure to individual counterparties and by entering into ISDA Master Agreements, which include provisions for a legally enforceable master netting agreement, with almost all of LivaNova's derivative counterparties. The terms of the ISDA agreements may also include credit support requirements, cross-default provisions, termination events, and set-off provisions. Legally enforceable master netting agreements reduce credit risk by providing protection in bankruptcy in certain circumstances and generally permitting the closeout and netting of transactions with the same counterparty upon the occurrence of certain events.

Risks and Uncertainties

Risks Relating to the Company's Business and Operations

LivaNova is subject to the risks of conducting business globally.

LivaNova is subject to risks that are inherent in conducting business globally. These risks, many of which LivaNova has experienced first-hand, include higher danger of terrorist activity, war, or civil unrest; greater exposure to inflation; volatility in freight and labour costs; fluctuating interest and exchange rates; increased exposure to cyber-attacks and supply chain challenges; changes to trade agreements and relationships between countries, including the uncertainty of global tariffs, trade restrictions, evolving sanctions, and adverse changes in import and export licencing requirements; changing energy prices; local product changes and compliance requirements; longer payment terms and collection times for receivables in local jurisdictions; difficulty enforcing agreements; greater exposure to creditworthiness of customers and inconsistent local law enforcement of obligations; compliance with anti-bribery laws; differing labour regulations and workforce instability; selling by way of distributors and agents; and political and economic instability. Many of these risks are rapidly evolving and subject to an accelerating pace of change. The ongoing conflict in Iran, for example, has not had a material impact on LivaNova's operations to date; however, the situation remains fluid and could give rise to additional regulatory, operational, or geopolitical risks.

Certain of LivaNova's subsidiaries are engaged in business dealings in countries subject to comprehensive sanctions, including Iran and Russia. These business dealings represent an insignificant amount of LivaNova's consolidated revenues and income but expose the Company to a heightened risk of violating applicable sanctions regulations. Violations of these regulations are punishable by civil and criminal penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts, and revocations or restrictions of licenses, as well as criminal fines and imprisonment. Despite best efforts to comply, there can be no assurance that LivaNova's policies and procedures will prevent the Company from violating these regulations in every transaction in which LivaNova may engage, and such a violation could adversely affect its reputation, business, results of operations, cash flows, and financial condition.

In addition, LivaNova's global operations result in revenues and expenses that are denominated in currencies other than LivaNova's reporting currency, the USD. Fluctuations in exchange rates may impact, and have impacted, LivaNova's results of operations and financial condition. Although LivaNova has elected in the past, and may elect in the future, to hedge certain foreign currency exposures, it is unlikely that any hedging strategy would eliminate its currency risk entirely. LivaNova cannot predict the change in currency exchange rates, the impact of exchange rate changes, or the degree to which it will be able to manage the impact of currency exchange rate changes.

Any of the aforementioned risks could adversely affect LivaNova's business, results of operations, cash flows, and financial condition.

Changes in global trade policies, including the imposition of tariffs, trade restrictions, export controls, sanctions, or other protectionist or retaliatory measures by the U.S. or other jurisdictions, may adversely affect LivaNova's business, financial condition, and results of operations.

Global trade conditions have become increasingly dynamic and subject to rapid change. A significant number of LivaNova's Cardiopulmonary products and component parts are sourced and produced outside of the U.S., including in Italy and Germany. Similarly, LivaNova manufactures its Neuromodulation products in the U.S., which are then often distributed internationally. Governments in the jurisdictions in which the Company operates, sources materials, manufactures products, or sells into markets may impose new or increased tariffs, duties, quotas, export or import restrictions, sanctions, or other trade measures. In addition, a recent U.S. Supreme Court ruling affecting tariff administration and the potential for refund processes may create further uncertainty, including potential delays, backlogs, or unpredictability in the timing or availability of tariff refunds. Any of the aforementioned actions, including reciprocal or retaliatory measures by affected countries, could increase LivaNova's costs of raw materials, components, and finished goods; disrupt the Company's supply chain; limit market access; or otherwise negatively affect global operations.

Increases in input or product costs resulting from trade measures may require LivaNova to raise prices, reduce margins, modify sourcing strategies, or absorb additional costs. Any price increases, to the extent implemented, could reduce demand for the Company's products, adversely affect competitiveness in domestic and international markets, and negatively impact revenues, profitability, and overall results of operations.

Reductions and interruptions in LivaNova's supply chain have had, and may continue to have, adverse effects on LivaNova's business, results of operations, cash flows, and financial condition.

LivaNova purchases many of the components and raw materials used in manufacturing its products from numerous suppliers in various countries. In some cases, LivaNova purchases specific components and raw materials from primary or main suppliers (or in some cases, a single supplier) for reasons related to quality assurance, cost-effectiveness, and availability. Although the

STRATEGIC REPORT

Risks and Uncertainties

Company has generally been able to maintain necessary supplies of raw materials and components, supplier shortages and interruptions of certain components, such as the fibre used in the manufacture of oxygenators and rare earth magnets used in the manufacture of HLMS, have caused, and may in the future cause, meaningful disruptions to LivaNova's product manufacturing supply chain. Any problem affecting a supplier (whether due to external or internal causes) could have and, in certain instances, has had a negative impact on LivaNova. Difficulties and delays in manufacturing, internally, externally, or otherwise within the supply chain, may lead to voluntary or involuntary business interruptions or shutdowns, employee furloughs, product shortages, withdrawals or suspensions of products from the market, and potential regulatory action.

Moreover, due to strict standards and regulations governing the manufacture and marketing of LivaNova's products, the Company may not be able to establish new supply sources quickly or at all in response to a supply reduction or interruption, especially for components and raw materials sourced from a single supplier, resulting in negative effects on its ability to meet market demand and to manufacture products effectively and timely. To the extent the Company is unsuccessful in managing its supply chain, any such issues could have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.

Failure to protect, maintain, or upgrade LivaNova's IT systems or products, or safeguard against cybersecurity incidents, service disruptions, or data corruption could have a material adverse effect on LivaNova's business, results of operations, financial condition, and reputation.

LivaNova is increasingly dependent on its IT systems and those of third parties to operate its business, and certain products of the Company include integrated software and IT. Such dependencies have been exacerbated by remote work practices. LivaNova relies on IT systems to process customer orders, manage product manufacturing and shipping, and support regulatory compliance. The Company routinely processes, stores, and transmits large amounts of data, including sensitive personal information, patient health information, and confidential business information. The secure processing, maintenance, and transmission of this information are critical to LivaNova's operations. The quantity and complexity of the Company's products and IT systems make such systems vulnerable to cybersecurity incidents, breakdowns, interruptions, destruction, loss or compromise of data, obsolescence of or incompatibility among systems, inadvertent disclosure of data, or other significant disruptions. Additionally, LivaNova's IT systems require an ongoing commitment of significant resources to maintain, protect, and enhance existing systems, as well as to develop new systems. To the extent these systems fail to perform as expected, the Company may encounter difficulties in implementing new systems, upgrading systems to keep pace with technological change, or expanding systems to meet future business needs.

The Company has experienced and is continually at risk of being subject to cybersecurity incidents and other disruptions, as exemplified by the previously disclosed November 2023 cybersecurity incident that resulted in the disruption of portions of the Company's IT systems. Programmes and systems may require frequent updates or may no longer be supported, which may impact the ability of the Company's IT systems to operate properly or without disruption. Unauthorised persons routinely attempt to access LivaNova's systems to disrupt, disable, or degrade services; obtain proprietary or confidential information; or remotely disrupt or access the systems of large healthcare provider customers of the Company by attempting to exploit the Company's systems. Furthermore, LivaNova's security assessments of third-party vendors may be inadequate to determine whether their security protocols are sufficient to prevent a cybersecurity incident or other system or data compromise. LivaNova also cannot be certain that the Company will receive timely notification from its third-party vendors of such matters. Cybersecurity incidents and other system and data compromises could remain undetected for an extended period, which could potentially result in significant harm to the Company's IT systems, as well as unauthorised access to, or acquisition of, the information stored on and/or transmitted by the Company's IT systems. In addition, to access LivaNova's products and services, its customers may use computers and other devices that are beyond the Company's security control safeguards.

Unauthorised disclosure or use of, denial of access to, or other incidents involving sensitive or confidential customer, patient, employee, vendor, or Company data, whether through systems failure, employee negligence, fraud, misappropriation, cybersecurity incidents, or other intentional or unintentional acts, could expose and have exposed the Company to liability under various laws and regulations across jurisdictions and increase the risk of litigation and governmental or regulatory investigation, damage LivaNova's reputation and its competitive positioning in the marketplace, disrupt its or its customers' business operations, or cause LivaNova to lose customers, potentially resulting in significant financial exposure and legal liability. Similarly, unauthorised access to or through, denial of access to, or other incidents involving LivaNova or its vendors' IT systems, whether by the Company's employees or third parties, including a cyber-attack by criminal hackers, or state-sponsored organisations, who continuously develop and deploy viruses, ransomware, malware, or other malicious software programmes or social engineering attacks, have resulted and could in the future result in negative publicity, significant remediation costs, legal liability, notification requirements, and damage to LivaNova's reputation, which could have a material adverse effect on the Company's business, results of operations, cash flows, and financial condition.

Cybersecurity threats are constantly expanding and evolving and becoming more sophisticated and complex, increasing the difficulty of detecting and defending against them and maintaining effective security measures and protocols. Additionally, AI and machine learning may be used for certain cybersecurity incidents, improving or expanding the existing capabilities of threat actors in manners the Company cannot predict at this time, resulting in greater risk of cybersecurity incidents. Even when a cybersecurity

STRATEGIC REPORT

Risks and Uncertainties

incident or other system or data compromise is detected, the full extent of the issue may not be determined immediately. The costs of mitigating cybersecurity incidents or other system or data compromises could be significant, and while the Company has implemented security measures to protect its IT systems and data, its efforts to address potential information security vulnerabilities may not be successful. LivaNova's cyber risk insurance may be insufficient to cover losses in connection with a cybersecurity incident or other system or data compromise, such as attorney's fees, regulatory fines, litigation costs, or financial losses that exceed the Company's policy limits or are not covered under any of its current insurance policies. Cyber risk insurance also has become more expensive to obtain, and LivaNova cannot be certain that the Company's current levels of insurance will be available in the future on economically reasonable terms.

The costs of complying with the requirements of U.S. federal and state and international laws and regulations pertaining to the privacy and security of personal information, including health-related information, and the potential liability associated with failure to comply with such laws and regulations, could have a material adverse effect on LivaNova's business and results of operations.

There is significant regulatory enforcement focus on data protection in the U.S. (at both federal and state levels) and abroad, and an actual or alleged failure to comply with applicable U.S. or international data protection laws or regulations or other data protection standards may expose LivaNova to regulatory investigations, litigation (including class action litigation), fines, sanctions, settlement costs, or other penalties and liabilities, which could harm the Company's reputation and adversely impact LivaNova's business, results of operations, cash flows, and financial condition. The Company collects, stores, and handles personal and patient data, including sensitive patient health information, which may present material obligations and risks to LivaNova's business, including significantly expanded compliance burdens, costs, and enforcement risks. If LivaNova does not lawfully collect, store, handle, or otherwise process personal information and does not prevent cybersecurity incidents or other system or data compromises, particularly given the increased risks associated with processing sensitive health information, LivaNova may suffer legal and regulatory consequences in addition to business consequences. See "*Failure to protect, maintain, or upgrade LivaNova's IT systems or products, or safeguard against cybersecurity incidents, service disruptions, or data corruption could have a material adverse effect on LivaNova's business, results of operations, financial condition, and reputation.*" above.

As a result of its worldwide operations, the Company is subject to various data protection and cybersecurity laws and regulations in many jurisdictions, including HIPAA, U.S. state privacy and data breach notification laws, and the GDPR. Other governments have enacted or amended or are enacting similar data protection laws, including data localisation laws that require data to stay within their borders and other technical and operational adaptations that may be required, given the rapid changes in data protection regulation where LivaNova conducts business. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. LivaNova's efforts to comply with applicable laws and regulations may be inadequate, and the Company may be unable to avoid enforcement actions by governmental bodies. Enforcement actions may be costly and could interrupt the regular operations of LivaNova's business. Moreover, LivaNova's insurance coverage may be insufficient to cover all losses in connection with alleged non-compliance with applicable data protection laws and regulations. In addition, in the U.S., there is a trend of civil lawsuits and class actions relating to compromises of personal information caused by cybersecurity incidents or other system or data compromises, which typically allege negligence, breach of contract, and violation of various state consumer protection laws. In connection with any potential cybersecurity incident, the Company could become a target of civil litigation or government enforcement actions as a result of a compromise to or loss of data.

The global medical device industry is highly competitive, and LivaNova may be unable to compete effectively.

LivaNova operates in a highly competitive market characterised by increasingly complex products that are expensive and time-consuming to develop and manufacture. The Company's success depends on several factors, including its ability to appropriately allocate the Company's R&D resources, integrate advanced software and AI capabilities, attract and retain key talent, achieve market adoption of its technologies, and sustain innovation. In the product lines in which LivaNova competes, the Company faces a mixture of competitors ranging from large manufacturers with multiple business lines to small manufacturers that offer a limited selection of specialised products. Development by other companies of new or improved products, processes, therapies, or technologies, including products developed with the effective use of advanced technologies like AI, may make LivaNova's products or proposed products less competitive. See "*The incorporation and use of AI technologies may present risks and challenges that could adversely affect LivaNova's business, operations, and reputation.*" below.

Furthermore, if LivaNova fails to develop new and enhanced products and services on a timely basis, the Company's offerings may become more expensive to maintain and eventually obsolete over time, and its reputation, business, and financial results may be negatively impacted.

In addition, LivaNova faces competition from providers of alternative medical therapies, pharmaceuticals, and surgical interventions, among others. Competitive factors include product quality, reliability and effectiveness; product technology and innovation; breadth of product lines and product services; ability to identify new market trends; changes to the regulatory environment; cost-effectiveness and price; customer support and training; capacity to recruit engineers, scientists, and other qualified employees; ability to navigate the regulatory approval process in the markets in which LivaNova operates;

STRATEGIC REPORT

Risks and Uncertainties

reimbursement approval; reimbursement coverage; and effectiveness of systems and processes. Additionally, academic institutions, governmental agencies, and other public and private research organisations may also conduct research, seek patent protection, and establish collaborative arrangements for discovery, research, clinical development, and marketing of products similar to LivaNova's products. Difficulties in any of these areas may have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.

The incorporation and use of AI technologies may present risks and challenges that could adversely affect LivaNova's business, operations, and reputation.

AI technologies are increasingly being used across the global business landscape, including in the development of new or improved products and therapies in the medical technology industry. LivaNova has already employed certain AI technologies in its business in an attempt to enhance the Company's products, technology, and therapies and reduce development time and cost. The Company may not be able to successfully integrate AI technologies into its operations or ensure usage of AI will be beneficial to LivaNova's business, including the Company's efficiency or profitability. Flaws, breaches, or malfunctions in these systems could lead to disruptions, data loss, or erroneous decision-making, impacting LivaNova's business operations, financial condition, and reputation. Legal challenges may arise, including, or as a result of, cybersecurity incidents, non-compliance with data protection regulations, and a lack of transparency relating to the use of AI. The regulatory landscape and industry standards surrounding AI technologies are also rapidly evolving and remain uncertain. As governments and regulatory bodies around the world continue to develop and implement new laws and standards governing AI, compliance with these evolving requirements may require significant additional resources and expenditures. Such regulations could also restrict or delay LivaNova's ability to effectively develop, deploy, or utilise AI technologies, which could adversely affect the Company's competitiveness and operational efficiency. If LivaNova fails to keep pace with the rapid evolution of AI technologies, the Company's competitive position and business results could suffer.

If LivaNova's investments, alliances, acquisitions, or divestitures are unsuccessful, the Company may not realise the intended benefits.

LivaNova relies on investments and collaborations to provide the Company access to new technologies. LivaNova has sought, and in the future may seek, to supplement its organic growth through strategic investments, alliances, and acquisitions. In addition, LivaNova has sought, and in the future may seek, to divest or wind down certain assets deemed non-core to the Company's long-term strategic objectives. Such transactions are inherently risky and require significant effort and management attention. LivaNova expects to make investments where it believes that the Company can internally develop, or acquire, new technologies and products to further LivaNova's strategic objectives and strengthen LivaNova's existing businesses. The success of any investment, alliance, acquisition, or divestiture may be affected by several factors, including the Company's ability to identify and then properly assess and value the potential business opportunity and obtain relevant approvals for a potential business opportunity or to successfully integrate any business LivaNova may acquire. These types of investments and transactions may require more resources than originally anticipated, may divert management's attention from the Company's existing business, and may not result in the expected benefits, savings, or synergies. Investments and investment collaborations in and with medical technology companies are inherently risky, and LivaNova cannot guarantee that any of its previous or future acquisitions, investments, or investment collaborations will be successful or will not materially adversely affect LivaNova's business, results of operations, cash flows, and financial condition.

In addition, if LivaNova's investments, alliances, acquisitions, or divestitures are not successful, the Company may incur costs in excess of what it anticipates, including, but not limited to, losses arising from related litigation, reputational damage, or other unforeseen liabilities. Furthermore, in the event of any acquisition, whether successful or not, LivaNova may be exposed to risks arising from the implementation, modification, or remediation of controls, procedures, and policies related to data privacy and cybersecurity at the acquired company. Failure to manage and coordinate the combined company successfully could have an adverse impact on LivaNova's business. Similarly, LivaNova may divest and has divested portions of its business, resulting in the migration of data and overlapping data obligations. As a result of such divestitures, LivaNova may face risks due to the migration or modification of controls, procedures, and policies relating to data privacy and cybersecurity internally or en route during migration. Any significant breakdown, intrusion, interruption, corruption, or destruction of these systems, as well as any data breaches, could have a material adverse effect on LivaNova's business.

The continuing development of many of LivaNova's products depends upon the Company maintaining appropriate working relationships with healthcare professionals.

The success and continuing development of LivaNova's products depend on the ability to work appropriately with healthcare professionals as needed. If LivaNova fails to maintain its working relationships with healthcare professionals, the Company's products may not be developed and marketed in line with the needs and expectations of the professionals who use and support LivaNova's products. Healthcare professionals assist LivaNova as researchers, marketing consultants, product consultants, inventors, and public speakers, and LivaNova relies on these professionals to provide the Company with considerable knowledge and experience. If LivaNova is unable to maintain these relationships, the development and marketing of the Company's products

could suffer, which could have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.

Quality issues with LivaNova's processes, products, and services could harm the Company's reputation for producing high-quality products and erode LivaNova's competitive advantage, revenue, and market share.

Maintaining the quality of the Company's products is important to LivaNova and its customers due to the serious and costly consequences of product failure. LivaNova's quality certifications are critical to the marketing success of the Company's products and services. If LivaNova fails to meet these standards, the Company's reputation could be damaged, the Company could lose customers, and LivaNova's revenue and results of operations could decline. Aside from specific customer standards, LivaNova's success depends generally on the Company's ability to manufacture precision-engineered components, sub-assemblies, and finished products to exact tolerances with certified materials. If LivaNova's components fail to meet these standards or fail to adapt to evolving standards, the Company's reputation as a manufacturer of high-quality products will be harmed, certain of its inventory may not be able to be used for its intended purpose, the Company's competitive advantage could be weakened, and LivaNova could lose customers and market share.

If LivaNova's marketed medical devices are defective or otherwise pose safety risks, the FDA and similar non-U.S. governmental authorities could require their recall or initiate an enforcement action, or LivaNova could initiate a recall of the Company's products or stop sales of products voluntarily.

As a healthcare company, LivaNova's products are subject to the risk of recalls or enforcement actions. The FDA and similar non-U.S. governmental authorities may require the recall and/or the withdrawal of sales of commercialised products in the event of material deficiencies or defects in design, software, or manufacture, or in the event that a product poses an unacceptable risk to patients' health. Manufacturers, on their own initiative, may recall a product or stop sales of such product, and the Company has in the past initiated, and may initiate in the future, voluntary product recalls and sale stoppages. Any recall announcement could harm LivaNova's reputation with customers and negatively affect its reputation, business, results of operations, cash flows, and financial position. A recall could also impair LivaNova's ability to produce its products in a cost-effective and timely manner. In the future, LivaNova may initiate voluntary withdrawal, removal, replacement, or repair actions that the Company determines do not require notification as a recall. If a regulatory authority were to disagree with LivaNova's determinations, it could require the Company to report those actions as a recall.

In addition, depending on the corrective action taken to redress a device's deficiencies or defects, regulators may require, or LivaNova may decide, that the Company needs to obtain new approvals or clearances before it markets or distributes the corrected device. Seeking such approvals or clearances may delay LivaNova's ability to replace the recalled device in a timely manner. Any corrective action, whether voluntary or involuntary, or related litigation will require investment of the Company's time and capital, may distract management from operating the business, may cause the Company to write down inventory related to any product recall or other quality issues, and may harm LivaNova's reputation and financial results. See, for example, "Note 26. Commitments and Contingencies" in LivaNova's consolidated financial statements under the section entitled "Product Liability Litigation." Moreover, if LivaNova does not adequately address problems associated with its devices, the Company may face additional regulatory enforcement actions, including FDA warning letters, product seizures, injunctions, administrative penalties, or civil or criminal fines, any of which could have a material adverse effect on LivaNova's business.

Failure to comply with U.S. and international product-related regulatory requirements could have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.

LivaNova's products and manufacturing operations are subject to extensive regulation by the FDA and by regulatory authorities outside the U.S., including under the MDR. The Company must comply with numerous requirements throughout the product lifecycle, including design controls, manufacturing practices, labelling, adverse event reporting, and promotional restrictions.

LivaNova's facilities and those of its suppliers are subject to periodic inspections and audits. These inspections have resulted in Form 483 observations and other findings in the past, and future inspections may result in additional observations, warning letters, or other enforcement actions. If regulators determine that the Company is not in compliance, they may take actions that include restricting manufacturing operations; delaying, refusing, or withdrawing product approvals or clearances; requiring product recalls, repairs, or replacements; seizing or detaining products; imposing civil or criminal penalties; or recommending prosecution. These actions could disrupt the Company's operations, limit its ability to market existing or future products, and require significant expenditures to address compliance issues.

The Company is also subject to strict limitations on product promotion. Although healthcare professionals may use devices for off-label indications, LivaNova is prohibited from promoting products for uses not included in the approved labelling. Any failure to comply with these promotional restrictions could result in substantial civil or criminal liability, additional compliance obligations, and reputational harm.

LivaNova's success depends on its employees and the Company's ability to attract and retain employees, its succession plan, and to successfully negotiate with local works councils.

LivaNova's ability to compete effectively depends on its ability to attract and retain employees and maintain robust succession planning for key positions. The Company's ability to recruit and retain talent depends on many factors, including compensation and benefits, work location, work environment, industry-specific and general economic conditions, and the hiring practices of competitors. If LivaNova fails to attract and retain personnel, particularly senior management and other key positions, or if the Company's succession planning efforts are not effective, it could have a material adverse effect on LivaNova's business, financial condition, and results of operations.

Furthermore, in many of the countries where LivaNova operates, employees are covered by various local laws and/or collective bargaining agreements, some with the right to be consulted in relation to specific issues, including reorganisations and staff reductions. The laws and/or collective bargaining agreements could have an impact on LivaNova's flexibility as they apply to programmes to redefine and/or strategically reposition the Company's activities. A negative response to any action taken by LivaNova from a works council or union-organised work stoppages by employees could have a negative impact on LivaNova's business.

LivaNova's products are subject to complex laws and regulations, and failure to obtain or maintain product approvals, clearance, or reimbursement may have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.

LivaNova's medical devices and technologies, as well as its business activities, are subject to a complex set of regulations and rigorous enforcement, including by the FDA, U.S. Department of Justice, HHS, and numerous other federal, state, and non-U.S. governmental authorities. Leadership and other workforce changes within any of the aforementioned agencies or government shutdowns may impact regulations, enforcement priorities, and timelines. The time required to obtain approvals from foreign countries may be longer or shorter than that required for FDA clearance, and requirements for such approvals may differ from FDA requirements. To varying degrees, each of these agencies requires LivaNova to comply with laws and regulations governing the development, modification, testing, manufacturing, labelling, reimbursement, marketing, and distribution of LivaNova's products. As part of the approval, clearance, or reimbursement process for new products, product modifications, and new indications for existing products, LivaNova may conduct, and has conducted, clinical trials and studies. Unfavourable or inconsistent clinical data from existing or future clinical trials, or the unfavourable interpretation of such clinical data by customers, regulatory authorities, or third-party payers, may adversely impact LivaNova's ability to obtain or maintain product approval or clearance, and/or receive reimbursement. Success in pre-clinical testing and early clinical studies does not always ensure that later clinical studies will be successful, and LivaNova cannot be sure that later studies will replicate the results of prior studies.

Trial delays can also have a material adverse effect on LivaNova's business. Any termination or delay in the completion of LivaNova's clinical studies could delay or preclude the filing of regulatory submissions or requests for coverage determinations and, ultimately, LivaNova's ability to commercialise new or modified products and obtain or maintain reimbursement for the Company's products. It is also possible that patients enrolled in clinical studies will experience adverse events that are not currently part of the product's safety profile, which could inhibit further marketing and development of such products.

Even if LivaNova is able to obtain or maintain product approval, product clearance, and reimbursement, it may take a significant amount of time; require the expenditure of substantial resources; involve stringent pre-clinical and clinical testing; require increased post-market surveillance; involve modifications, repairs, or replacements of LivaNova's products; and/or impose limitations on the proposed uses of its products. Ultimately, LivaNova cannot guarantee that its clinical trials will be successful or that the Company will be able to obtain or maintain approval or clearance and/or reimbursement for products or modifications to existing products. Any such issues, whether in relation to clinical trials, approvals, clearances, or reimbursement, could have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.

Global healthcare policy changes may have a material adverse effect on LivaNova's business, results of operations, financial condition, and cash flows.

In response to increases in healthcare costs, there have been and continue to be proposals by governments, regulators, and third-party payers globally to control these costs. These proposals, among other things, have resulted in efforts to enact healthcare system reforms that may lead to restricted access, pricing restrictions, payback requirements, and limits on the amounts of reimbursement available for LivaNova's products. For example, in 2015, the Italian Parliament introduced rules for entities that supply goods and services to the Italian National Healthcare System, impacting the business and financial reporting of medical technology sector companies that sell devices in Italy, including LivaNova. See "Note 26. Commitments and Contingencies" in LivaNova's consolidated financial statements included in this Annual Report for additional information.

Additionally, LivaNova's ability to profitably commercialise the Company's products is dependent, in large part, on whether third-party payers, including private healthcare insurers, managed-care plans, governmental programmes, and others, agree to cover the costs and services associated with LivaNova's products and related medical procedures in the U.S. and internationally.

STRATEGIC REPORT

Risks and Uncertainties

Third-party payers, including private and government insurers, are increasingly requiring evidence that medical devices are clinically effective and cost-effective. If LivaNova is unable to demonstrate that the Company's devices are effective, third-party payers may not reimburse the use of LivaNova's products or provide sufficient reimbursement for LivaNova's products, which could reduce sales of the Company's products to healthcare providers that depend upon reimbursement for payment for their services. Similarly, periodic changes to reimbursement methodologies could have an adverse impact on LivaNova's business. Adoption of some or all of such healthcare policies and reimbursement proposals could have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial position.

Failure to comply with rules relating to reimbursement of healthcare goods and services, healthcare fraud and abuse, false claims, and other applicable laws or regulations may subject LivaNova to penalties and limit patient access to its devices, thereby adversely impacting the Company's reputation and business operations.

LivaNova's devices and therapies are subject to regulation by various governmental agencies worldwide that are responsible for regulating healthcare goods and services, including laws and regulations related to kickbacks, false claims, self-referrals, and healthcare fraud. Because LivaNova's marketing practices involve direct promotion to patients in certain jurisdictions, the Company is subject to additional laws and regulations intended to prevent misleading patients and consumers through unethical promotional activities and related data collection practices. Any failure to comply with these laws and regulations could subject the Company or its officers and employees to criminal and civil financial penalties.

The risk of being found in violation of these laws is increased by the fact that many of them have not been fully interpreted by regulatory authorities or the courts and their provisions are open to a variety of interpretations. Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbours available under such laws, it is possible that some of LivaNova's business activities, including the Company's relationships with healthcare providers, some of whom recommend, purchase, and/or prescribe LivaNova's devices, group purchasing organisations, and LivaNova's independent sales agents and distributors, could be subject to challenge under one or more of such laws. Even an unsubstantiated allegation of impropriety could adversely impact LivaNova's reputation and/or business operations.

Furthermore, LivaNova's devices, products, and therapies are purchased principally by hospitals or healthcare professionals that typically bill various third-party payers, such as governmental healthcare programmes (e.g., Medicare, Medicaid, and comparable non-U.S. programmes), private insurance plans, and managed-care plans for the healthcare services provided to their patients. The ability of LivaNova's customers to obtain and/or maintain appropriate reimbursement for products and services from third-party payers is critical because it affects which products customers purchase and the prices they are willing to pay. LivaNova's devices, products, and therapies are subject to regulation regarding quality and cost by HHS, including CMS, as well as comparable state and non-U.S. agencies responsible for reimbursement and regulation of healthcare goods and services, including laws and regulations related to kickbacks, false claims, self-referrals, and healthcare fraud. In addition, as a manufacturer of U.S. FDA-approved devices reimbursable by federal healthcare programmes, LivaNova is subject to the Physician Payments Sunshine Act and similar U.S. state laws, which require the Company to annually report certain payments and other transfers of value LivaNova makes to U.S.-licensed healthcare professionals, U.S. teaching hospitals, or other covered recipients. Any failure to comply with these laws and regulations, including similar laws and regulations outside of the U.S., could subject the Company or its officers and employees to criminal and civil financial penalties, potentially resulting in a material adverse effect on LivaNova's business, results of operations, cash flows, and financial position.

Failure to comply with anti-bribery laws could have a material adverse effect on LivaNova's business and result in civil and/or criminal sanctions.

LivaNova's operations are subject to anti-corruption laws, including the ECCTA, the UK Bribery Act, the FCPA, and other anti-corruption laws that apply in countries where the Company does business. These laws generally prohibit LivaNova and its employees and intermediaries from bribing, being bribed, or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. Because of the predominance of government-administered healthcare systems in many parts of the world outside of the U.S., many of LivaNova's customer relationships are potentially subject to such laws.

LivaNova is, therefore, exposed to the risk that its employees, independent contractors, principal investigators, consultants, vendors, independent sales agents, and distributors may engage in fraudulent or other illegal activity in violation of these laws and the Code of Conduct. LivaNova maintains a compliance programme that includes policies and training to educate its employees and agents on these legal requirements and to prevent and prohibit improper practices. However, existing safeguards and any future improvements may not always be effective, and LivaNova's employees, consultants, sales agents, or distributors may engage in conduct for which LivaNova could be held responsible. In addition, regulators could seek to hold LivaNova liable for conduct committed by companies in which LivaNova invests or acquires. The FCPA can pose unique challenges for companies that operate in foreign cultures where conduct prohibited by the FCPA may not be viewed as illegal in local jurisdictions. Although LivaNova's compliance programme includes mechanisms for detecting and correcting misconduct, including a hotline called the "LivaNova Ethics Line," it is not always possible to identify and deter misconduct by LivaNova's employees and other third parties, and the precautions the Company takes to detect and prevent this activity may not be effective in controlling

STRATEGIC REPORT

Risks and Uncertainties

unknown or unmanaged risks or losses or in protecting LivaNova from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws or regulations.

Global enforcement of anti-corruption laws continues to be a focus, with more frequent voluntary self-disclosures by companies, aggressive investigations and enforcement proceedings by governmental agencies, and assessment of significant fines and penalties against companies and individuals. LivaNova cannot predict the nature, scope, or effect of future regulatory requirements to which the Company's international operations might be subject or the manner in which existing laws might be administered or interpreted. Any alleged or actual violations of these laws and regulations may subject LivaNova to government scrutiny, severe criminal or civil sanctions, and other liabilities, including exclusion from government contracting or government healthcare programmes, and could negatively affect LivaNova's reputation, business, results of operations, cash flows, and financial condition.

The impact of pending or existing climate change may have a material adverse effect on LivaNova's future operations.

The physical impacts of natural disasters and extreme weather conditions, such as hurricanes, tornadoes, earthquakes, winter storms, wildfires, or flooding, could potentially damage LivaNova's facilities, cause unanticipated downtime in production, temporarily reduce demand, reduce employee productivity, increase absenteeism, disrupt the Company's supply chain operations and its suppliers' operations, and negatively impact operational costs. Additionally, transitional climate risks, such as changing customer behaviours and changing dynamics in raw materials and utility markets, could lead to lost revenue due to the inability to meet changing customer requirements, increasing costs associated with product adjustments to meet changing customer preferences, increasing costs of inputs and raw materials, and increasing cost of utilities. There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty. Legal, regulatory, and customer requirements and preferences designed to mitigate the effects of climate change on the environment are increasing, and there is a risk of obligations being imposed that would increase LivaNova's compliance burden and cost to meet these obligations. Individually or in the aggregate, such risks could materially negatively impact LivaNova's future operations.

LivaNova may incur impairments of intangible assets, goodwill, and other long-lived assets that may adversely affect the Company's financial results.

LivaNova reviews, when circumstances warrant, the carrying amounts of its intangible assets, goodwill, and other long-lived assets to determine whether those carrying amounts continue to be recoverable in accordance with U.S. GAAP. Significant negative industry or economic trends; disruptions to LivaNova's businesses; and significant unexpected or unplanned changes in the use of assets, divestitures, and market capitalisation declines, among other events, may result in impairments to LivaNova's intangible assets, goodwill, and other long-lived assets.

Public health crises have had, and may continue to have, an adverse effect on LivaNova's business, results of operations, cash flows, and financial condition, the nature and extent of which are uncertain and unpredictable.

LivaNova's global operations and business interactions with healthcare systems, providers, and patients around the world expose the Company to risks associated with public health crises, including epidemics and pandemics. LivaNova continues to monitor the potential effects of future health epidemics on the Company's business and operations. The Company cannot guarantee that a future outbreak of a widespread epidemic will not occur, which could have the effect of decreasing demand and/or increasing volatility in demand for LivaNova's products, which could have a material impact on LivaNova's business, results of operations, cash flows, financial condition, and liquidity.

Shareholder activism and increased investor engagement could divert management's attention, disrupt the Company's operations, and adversely affect the business and share price.

Shareholder activism and heightened investor engagement have become more prevalent across public companies. LivaNova may be, and in certain instances, has been, subject to shareholder proposals, proxy contests, public campaigns, or other actions by activist investors or other shareholders seeking to influence its governance, strategic direction, capital allocation, operational decisions, or executive compensation practices.

Responding to such actions could require significant time and attention from the Board and management, result in substantial legal and advisory expenses, and disrupt the Company's operations. Actual or perceived uncertainty regarding LivaNova's strategic direction or leadership arising from activist campaigns could adversely affect the Company's relationships with customers, suppliers, employees, and other stakeholders; create volatility in the share price; and impact the Company's ability to attract and retain qualified personnel and business partners.

In addition, actions by activist investors could lead to changes in the Company's governance, strategy, or capital structure that may not align with the interests of LivaNova or its long-term shareholders and could adversely affect the Company's business, financial condition, and results of operations.

Legal, Regulatory, and Compliance Risks

As a manufacturer of medical devices, LivaNova is exposed to product liability claims that could adversely affect its consolidated financial condition and tarnish the Company's reputation.

LivaNova designs, develops, manufactures, markets, and sells medical devices that pose product liability risks. Component failures, manufacturing defects, software errors, design flaws, or inadequate disclosure of product-related risks or product or use-related information, or healthcare professional misuse with respect to these or other products the Company manufactures or sells, could result in an unsafe condition for, injury to, or death of a patient. Such an event could result in product liability claims or a recall of, or safety alert relating to, one or more of LivaNova's products. For example, as described in "Note 26. Commitments and Contingencies" in LivaNova's consolidated financial statements included in this Annual Report, the Company is involved in product liability litigation relating to its cardiopulmonary 3T Heater-Cooler product that has adversely affected LivaNova's financial condition and has required the Company to devote significant resources to its defence and/or settlement of these claims. Any such product liability claims, whether unsubstantiated or not, could negatively affect LivaNova's reputation, business, results of operations, cash flows, and financial condition.

LivaNova holds global insurance policies to cover a portion of future potential product liability losses and has elected to self-insure with respect to a significant portion of the Company's product liability risks. Any product liability claims, regardless of their ultimate outcome, could have a material adverse effect on the Company's ability to attract and retain customers for its products, and future losses from product liability claims could exceed LivaNova's product liability insurance coverage and lead to a material adverse effect on the Company's financial condition and liquidity. In addition, future unanticipated large liability claims may raise substantial doubt about LivaNova's ability to continue as a going concern.

LivaNova is subject to heightened scrutiny on issues relating to sustainability, including environmental and sustainability laws and regulations, and the risk of environmental liabilities, violations, and litigation in multiple jurisdictions, any of which could have a material adverse effect on LivaNova's reputation, business, results of operations, cash flows, financial condition, and liquidity.

Increasing attention on sustainability issues related to LivaNova's business requires continuous monitoring of various and evolving laws, regulations, standards, and expectations and the associated reporting requirements, including public disclosure requirements from customers. It is unclear as to how any such future changes could impact the Company. In the event that LivaNova's sustainability disclosures prove incorrect, the Company may incur regulatory consequences. The CSRD, for example, amends and strengthens the rules introduced on sustainability reporting for companies under the Non-Financial Reporting Directive (2014/95/EU) and will require public reporting on covered companies' impact on sustainability matters as well as how sustainability matters affect their own development, performance, and position in accordance with the European Sustainability Reporting Standards. Preparing a CSRD-compliant report will likely be time-consuming and costly and will require a limited assurance opinion from an outside audit firm. To the extent an adverse or qualified opinion is delivered with respect to LivaNova's report, the Company's reputation may be impacted, and investors could lose confidence in the accuracy and completeness of its sustainability disclosures. Subject to the specific circumstances of an adverse or qualified opinion, LivaNova may also be subject to sanctions set by EU Member States.

LivaNova has set sustainability targets, and achieving these targets will depend significantly on external factors outside of the Company's control. If LivaNova is unable to achieve these targets or if LivaNova's sustainability initiatives fail to satisfy investors, customers, or other stakeholders, the Company's reputation, its ability to sell products and services to customers, and its attractiveness as an investment, business partner, or acquirer could be negatively impacted. Similarly, LivaNova's failure, or perceived failure, to fulfil its sustainability goals or to satisfy various reporting standards could also have a similar negative impact on the Company's reputation, business, and results of operations. Environmental regulations continue to become more stringent, and LivaNova may experience increased compliance burdens and costs to meet its regulatory obligations, as well as adverse impacts on raw material sourcing, manufacturing operations, and the distribution of LivaNova's products.

Additionally, certain environmental laws assess liability on current, prior, and/or related owners or operators of real property for the costs of investigation, removal, or remediation of hazardous substances on their properties or at properties on which they have disposed of hazardous substances. For example, LivaNova's Saluggia campus contains hazardous substances as a result of operations under previous ownership, and the Italian government has stated that LivaNova will eventually be responsible for dismantling the nuclear installation and delivering the aforementioned waste to a national repository. It is also possible that a governmental authority may seek to hold LivaNova liable for successor liability violations committed by any companies in which LivaNova invests or acquires. For example, LivaNova is currently in litigation with the government in Italy stemming from a civil action where the Court of Appeal declared LivaNova (formed through a merger with Sorin) liable for environmental liabilities incurred by SNIA's (a former parent company of Sorin) other subsidiaries. See "Note 26. Commitments and Contingencies" in LivaNova's consolidated financial statements included in this Annual Report for additional information regarding these two matters. The Company's business, results of operations, cash flows, financial condition, and liquidity have been negatively impacted by the Italian Supreme Court in the case of SNIA and could be adversely affected by an increase in anticipated costs

STRATEGIC REPORT

Risks and Uncertainties

relating to the disposal of hazardous waste in Saluggia. Private parties could also bring personal injury or other claims due to the presence of, or exposure to, hazardous substances.

In addition, LivaNova's operations involve the use of substances regulated under environmental laws, including for purposes of sterilisation. Regulations require sterilisation of LivaNova's products, and the Company operates sterilisation facilities in Colorado and Mirandola to sterilise certain of its products in-house. The U.S. Environmental Protection Agency and certain states, including Colorado, have begun scrutinising the levels of community exposure to EtO, which is used in the sterilisation process. While LivaNova is not in violation of any current local or federal regulations, to the extent the Company or its contract sterilisers are unable to sterilise LivaNova's products, whether due to regulatory, legislative, or other constraints, including on the use of EtO, LivaNova may be unable to transition to alternative internal or external resources or methods in a timely or cost-effective manner or at all, which could have a material impact on the Company's results of operations and financial condition.

LivaNova is substantially dependent on patent and other proprietary rights, and failing to protect such rights or to be successful in litigation related to LivaNova's rights or the rights of others may result in the Company's payment of significant monetary damages and/or royalty payments, negatively impact LivaNova's ability to sell current or future products, or prohibit the Company from enforcing its patent and other proprietary rights against others.

LivaNova relies on a combination of patents, trade secrets, and non-disclosure agreements to protect the Company's proprietary intellectual property. While LivaNova intends to defend against any threats to the Company's intellectual property, any litigation to counter the infringement, misappropriation, or unauthorised use of LivaNova's intellectual property may require the expenditure of significant financial and managerial resources, which may adversely affect LivaNova's business, results of operations, cash flows, and financial condition. Additionally, LivaNova's patents, trade secrets, or other agreements may not prevent competitors from independently developing or selling similar products and services and may not adequately deter misappropriation or improper use of the Company's technology. As LivaNova's businesses increasingly rely on IT systems and infrastructure, the Company's intellectual property, other proprietary technology, and other sensitive data are potentially vulnerable to loss, damage, or misappropriation. Further, LivaNova's ability to protect novel business models is uncertain and pending patent applications may not result in patents being issued to LivaNova. Patents issued to or licensed by LivaNova in the past or in the future may be challenged or circumvented by competitors, and such patents may be found invalid, unenforceable, or insufficiently broad to protect the Company's technology, and may limit LivaNova's competitive advantage. Third parties could obtain patents that may require LivaNova to negotiate licenses to conduct business, and the required licenses may not be available on reasonable terms or at all.

LivaNova also relies on non-disclosure and non-competition agreements with certain employees, consultants, and other parties to protect, in part, trade secrets and other proprietary rights. LivaNova cannot be certain that these agreements will not be breached, that the Company will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information, or that third parties will not otherwise gain access to LivaNova's trade secrets or proprietary knowledge. Further, new proposed regulations in the U.S. would prohibit certain competition agreements. These proposed regulations have been successfully litigated in lower courts, but appeals are pending, and the outcome of those cases remains uncertain. If regulations become effective as proposed and enforced, LivaNova may not be able to rely on agreements with certain of the Company's employees or other parties.

LivaNova operates in an industry characterised by extensive patent litigation and has been, and is, subject to patent claims from time to time. While LivaNova intends to defend against any third-party intellectual property threats, intellectual property litigation is inherently complex and unpredictable. Such litigation can result in significant damage awards and injunctions that could prevent LivaNova's manufacture and sale of affected products or require the Company to pay significant royalties in order to continue to manufacture or sell affected products.

In addition, the laws and intellectual property systems of certain countries in which LivaNova markets some of its products do not protect the Company's intellectual property rights to the same extent as in the U.S., which may impact its market position in those countries. For example, doing business in China may increase LivaNova's vulnerability to its technology being reverse-engineered or the Company's trade secrets being compromised. Proceedings to enforce LivaNova's intellectual property rights in foreign jurisdictions like China could result in substantial cost and divert management's efforts and attention from other aspects of LivaNova's business, put the Company's own intellectual property at risk of being invalidated or interpreted narrowly, put the Company's patent applications at risk of not being issued, and provoke third parties to assert claims against the Company. LivaNova could also face competition in countries where the Company has not invested in an intellectual property portfolio, or where the Company has not invested in the same protection as in the U.S. If the Company is unable to protect LivaNova's intellectual property in China or other countries, it could have a material adverse effect on LivaNova's reputation, business, results of operations, cash flows, and financial condition.

STRATEGIC REPORT

Risks and Uncertainties

Inadequate funding for U.S. federal government agencies and government shutdowns could negatively affect LivaNova's business, results of operations, cash flows, and financial condition.

The ability of the FDA and CMS to review and approve new products and make coverage and reimbursement decisions can be affected by a variety of factors, including government funding levels, the ability to hire and retain key personnel, government shutdowns, and statutory, regulatory, and policy changes. In addition, a portion of LivaNova's revenue is dependent on U.S. federal government healthcare programme reimbursement. Any disruption in U.S. federal or other government operations, including government shutdowns, could have a material adverse effect on LivaNova's business, results of operations, cash flows, and financial condition.

Risks Related to LivaNova's Indebtedness

LivaNova may not have sufficient cash flow from its business operations to pay when due, or be able to raise the funds necessary to pay when due, amounts owed with respect to LivaNova's indebtedness, which could adversely affect LivaNova's business and results of operations.

LivaNova's ability to make payments (including interest, principal upon maturity, and payments to satisfy conversions) in respect of and/or to refinance LivaNova's outstanding notes or other indebtedness (including any indebtedness under LivaNova's revolving credit facility or term facilities) depends on the Company's future performance, which is subject to economic, financial, competitive, and other factors beyond its control. If LivaNova is unable to generate enough cash flow to make payments on indebtedness when due, the Company may be required to adopt one or more alternatives, such as selling assets or obtaining additional debt financing or equity capital on terms that may be onerous or highly dilutive. LivaNova's ability to refinance its indebtedness, which the Company may need to do to satisfy its obligations thereunder, will depend on the capital markets and LivaNova's financial condition at such time. LivaNova may not be able to engage in these activities on desirable terms or at all, which could result in a default on LivaNova's indebtedness.

Upon any conversions of the 2029 Notes, LivaNova will be required to pay cash up to the aggregate principal amount of the 2029 Notes to be converted and pay or deliver, as the case may be, cash, LivaNova's ordinary shares, or a combination of cash and LivaNova's ordinary shares, at LivaNova's election, in respect of the remainder, if any. Additionally, the holders of the 2029 Notes have the right to require LivaNova to repurchase the notes upon the occurrence of a fundamental change (as defined in the indenture governing the 2029 Notes) at a repurchase price equal to 100% of the principal amount of the 2029 Notes to be repurchased, plus accrued and unpaid interest, if any.

Any failure by LivaNova to make required payments in respect of its indebtedness (after any applicable grace period) would constitute an event of default in respect of such indebtedness.

In addition, LivaNova's indebtedness, combined with the Company's other financial obligations and contractual commitments, could have other important consequences. For example, it could:

- Make LivaNova more vulnerable to adverse changes in government regulations and in the global economy, healthcare, and competitive environment;
- Limit the Company's flexibility in planning for, or reacting to, changes in LivaNova's business and its markets;
- Place the Company at a disadvantage compared to LivaNova's competitors, who have less debt;
- Limit LivaNova's ability to borrow additional amounts for working capital, to fund acquisitions, and for other general corporate purposes; and
- Make a sale of the Company less attractive to buyers or more difficult to complete.

Any of these factors could harm LivaNova's business, results of operations, cash flows, and financial condition. In addition, if LivaNova incurs additional indebtedness under the revolving credit facility or term facilities, the risks related to LivaNova's business and its ability to repay the Company's indebtedness would increase. For additional information, refer to the "Business Review" of this Annual Report under the section titled "Liquidity and Capital Resources" and "Note 15. Financial Liabilities" in LivaNova's consolidated financial statements included in this Annual Report.

The conditional conversion feature of the 2029 Notes, if triggered, may adversely affect LivaNova's liquidity and operating results.

If the conditional conversion feature of the 2029 Notes is triggered, holders are entitled to convert the 2029 Notes at any time during specified periods, at their option. For example, holders are entitled to convert 2029 Notes during a given calendar quarter if the closing price of LivaNova's ordinary shares for at least 20 trading days (whether or not consecutive) during the last 30 consecutive trading days of the immediately preceding calendar quarter was greater than or equal to \$90.22, subject to adjustment. The conversion condition for the 2029 Notes was not satisfied on 31 December 2025, and therefore, the 2029 Notes will not be convertible pursuant to this condition from 1 January 2026 through 31 March 2026. On or after 15 December 2028, holders may convert 2029 Notes at their option without regard to additional conditions. If holders convert 2029 Notes during any future period

STRATEGIC REPORT

Risks and Uncertainties

in which such conversion is permitted, LivaNova would be required to pay cash up to the aggregate principal amount of the 2029 Notes to be converted and may elect to settle the remainder of the conversion obligation in cash, shares, or a combination of the two. Any such cash payments upon conversion could adversely affect the Company's liquidity.

The EIR of the 2029 Notes is significantly greater than the stated interest rate, which may result in volatility to the Company's reported interest expense and financial results and could adversely affect the price at which LivaNova's ordinary shares trade.

Upon conversion of the 2029 Notes, LivaNova will pay cash up to the aggregate principal amount of the 2029 Notes to be converted and pay or deliver, as the case may be, cash, LivaNova's ordinary shares, or a combination of cash and LivaNova's ordinary shares, at the Company's election, in respect of the remainder, if any, of LivaNova's conversion obligation in excess of the aggregate principal amount of the 2029 Notes being converted. Accordingly, the conversion feature that is part of the 2029 Notes is accounted for as a derivative pursuant to accounting standards relating to derivative instruments. This resulted in an initial accounting valuation of the conversion feature, which was bifurcated from the debt component of the 2029 Notes, resulting in an original issue discount. The original issue discount is amortised and recognised as a component of interest expense over the term of the 2029 Notes, which results in an EIR reported in LivaNova's consolidated statement of income (loss) in excess of the stated interest rate of the 2029 Notes. Although this accounting treatment does not affect the amount of cash interest paid to holders of the 2029 Notes or LivaNova's cash flows, it reduces the Company's earnings and could adversely affect the price at which its ordinary shares trade.

Additionally, for each financial statement period after issuance of the 2029 Notes, a derivative gain or loss is and will be reported in LivaNova's consolidated statement of income (loss) to the extent the valuation of the conversion feature changes from the previous period. The 2029 Capped Calls described below and elsewhere in this Annual Report are also accounted for as derivative instruments. The valuation of the conversion feature of the 2029 Notes and 2029 Capped Calls utilises significant observable and unobservable market inputs, including share price, expected volatility, risk-free interest rate, expected dividend yield, and time to expiration of the 2029 Notes. The change in input values at the current period-end compared to the previous period-end may result in a material change in the valuation and the gain or loss resulting from the conversion feature of the 2029 Notes and 2029 Capped Calls, and may not completely offset each other. As such, there may be a material net impact on LivaNova's consolidated statement of income (loss), which could adversely affect the price at which its ordinary shares trade.

The arbitrage or hedging strategy by purchasers of the 2029 Notes and Option Counterparties in connection with LivaNova's 2029 Capped Calls may affect the value of LivaNova's ordinary shares.

LivaNova expects that many investors in, and potential purchasers of, the 2029 Notes will employ, or seek to employ, an arbitrage strategy with respect to the 2029 Notes. Investors would typically implement such a strategy by selling short the Company's ordinary shares underlying the 2029 Notes and dynamically adjusting their short position while continuing to hold the 2029 Notes. Investors may also implement this type of strategy by entering into swaps or options on LivaNova's ordinary shares in lieu of or in addition to selling short LivaNova's ordinary shares. This activity could decrease or reduce the size of any increase in the market price of LivaNova's ordinary shares at that time.

In connection with the pricing of the 2029 Notes, LivaNova entered into the 2029 Capped Calls. The 2029 Capped Calls are expected generally to compensate (through the payment of cash to the Company) for potential dilution to LivaNova's ordinary shares and to offset cash payments due upon conversion of the 2029 Notes in excess of the principal amount thereof in the event that the market price per ordinary share of LivaNova at the time of conversion of the 2029 Notes is greater than the strike price under the 2029 Capped Calls with such offset subject to a cap based on the cap prices of the 2029 Capped Calls. It is LivaNova's understanding that the Option Counterparties, or their respective affiliates, in connection with establishing their initial hedges of the 2029 Capped Calls, purchased LivaNova's ordinary shares and/or entered into various derivative transactions with respect to LivaNova's ordinary shares concurrently with or shortly after the pricing of the 2029 Notes. The Option Counterparties or their respective affiliates may modify these initial hedge positions by entering into or unwinding various transactions with respect to LivaNova's ordinary shares and/or purchasing or selling its ordinary shares or other of LivaNova's securities in secondary market transactions prior to the maturity of the 2029 Notes (and are likely to do so during any observation period related to a conversion of the 2029 Notes or upon a repurchase or redemption of the 2029 Notes by LivaNova, if LivaNova unwinds a corresponding portion of the 2029 Capped Calls). This activity could cause or avoid an increase or a decrease in the market price of LivaNova's ordinary shares or the 2029 Notes at that time.

LivaNova is subject to counterparty risk with respect to the 2029 Capped Calls.

The Option Counterparties are financial institutions, and LivaNova is subject to the risk that they might default under the 2029 Capped Calls. LivaNova's exposure to the credit risk of the Option Counterparties is not secured by any collateral.

If an Option Counterparty becomes subject to insolvency proceedings, LivaNova will become an unsecured creditor in those proceedings, with a claim equal to the Company's exposure to that Option Counterparty at that time under the 2029 Capped Calls. LivaNova's exposure will depend on many factors, but, generally, an increase in the Company's exposure will be correlated to an increase in the market price and in the volatility of its ordinary shares. In addition, upon a default by an Option Counterparty, LivaNova may suffer adverse tax consequences and may, on a net basis, have to pay more cash or suffer more dilution than the

STRATEGIC REPORT

Risks and Uncertainties

Company currently anticipates with respect to its ordinary shares upon conversions of the 2029 Notes, the effect of which would likely not be compensated for by the Company. LivaNova can provide no assurances as to the financial stability or viability of the Option Counterparties.

Risks Relating to Tax and LivaNova's Jurisdiction of Incorporation

LivaNova is incorporated in England and Wales and governed by their laws, which may afford less protection to shareholders than under U.S. laws.

LivaNova is a public limited company incorporated under the laws of England and Wales, and as such, the Company's shareholders may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of the U.S. It may be difficult to enforce court judgements obtained in the U.S. and based on the civil liability provisions of U.S. federal or state securities laws against LivaNova in the UK. In addition, there is also some uncertainty as to whether the UK courts would recognise or enforce judgements of U.S. courts obtained against LivaNova or any of its directors or officers.

Changes in tax laws or exposure to additional income tax liabilities could have a material adverse effect on LivaNova's results of operations and financial condition.

LivaNova is subject to income taxes as well as non-income-based taxes in the U.S., the UK, the EU, and various other jurisdictions. Any material changes in tax laws, regulations, or policies, or their interpretation and enforcement, including with respect to the OECD's Pillar Two global minimum tax rules applicable to multinational groups with global revenue over €750 million, could result in a higher effective tax rate and have a material impact on LivaNova's consolidated statement of income (loss) or financial condition.

LivaNova continues to monitor the adoption of Pillar Two by the taxing jurisdictions in which it operates. The UK has enacted legislation providing for a minimum effective tax rate of 15% through a multinational top-up tax and a domestic top-up tax for accounting periods beginning on or after 31 December 2023. UK legislation has also been enacted for an UTPR for accounting periods beginning on or after 31 December 2024. The OECD released guidance on 5 January 2026 to further modify Pillar Two rules, including changes to substance-based non-refundable tax credits. The nature and timing of these changes being enacted cannot be predicted or guaranteed at this time. LivaNova will continue to monitor legislative developments and related guidance in the UK and other jurisdictions that may impact LivaNova's operations. Any material changes in tax laws, regulations, or policies, or their interpretation and enforcement, including with respect to Pillar Two and interaction with other tax laws, could result in a higher effective tax rate for LivaNova and have a material impact on its consolidated statement of income (loss) or financial condition. The content of any future legislation, the timing of additional guidance, and the reporting periods that may be impacted cannot be determined at this time.

LivaNova's actual effective tax rate may vary from its expectations or from historical trends, and that variance may be material. LivaNova's effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws such as Pillar Two and OBBBA or their interpretation. The Company is also subject to ongoing tax audits in various non-U.S. jurisdictions. Tax authorities may disagree with certain positions LivaNova has taken and assess additional taxes. LivaNova believes that its accruals reflect the probable outcome of known contingencies. However, there can be no assurance that LivaNova will accurately predict the outcomes of ongoing audits, and the actual outcomes of these audits could have a material impact on LivaNova's consolidated statement of income (loss) or financial condition.

As a public limited company incorporated under the laws of England and Wales, certain LivaNova capital structure decisions require shareholder approval, which may limit the Company's flexibility to manage its capital structure.

LivaNova is a public limited company incorporated under the laws of England and Wales. Under English law, the Board may only allot shares with the prior authorisation of shareholders. English law also generally provides shareholders with preemptive rights when new shares are issued for cash, which rights may be surrendered by shareholders. In addition, English law generally prohibits a public limited company from repurchasing its own shares without the prior approval of shareholders. As a result, LivaNova's shareholders must approve these authorities at an AGM of shareholders. If LivaNova does not receive shareholder approval of these matters, the Company may not be able to raise any required additional capital in a timely manner or at all. In addition, LivaNova may not be able to continue to grant equity awards to its directors, officers, and employees under the relevant incentive plan.

Transfers of LivaNova's shares, other than those effected by means of the transfer of book-entry interests in DTC, may be subject to UK Stamp Duty or SDRT.

Transfers of LivaNova's shares effected by means of the transfer of book-entry interests in DTC are not subject to UK stamp duty or SDRT. However, if a shareholder holds LivaNova's shares directly rather than through DTC, any transfer of those shares could be subject to UK stamp duty or SDRT at a rate of 0.5% of the consideration paid for the transfer. In addition, certain transfers of LivaNova's shares to depositories or into clearance services would be subject to UK stamp duty or SDRT at a rate of 1.5% of the

STRATEGIC REPORT
Risks and Uncertainties

consideration paid for the transfer, or 1.5% of the market value of the shares if there is no consideration. The transferee generally pays the UK stamp duty or SDRT, although the position may be different in the case of a transfer to a depository or into a clearance service. The potential for UK stamp duty or SDRT could adversely affect the trading price of LivaNova's shares.

If DTC determines at any time that LivaNova's shares are not eligible for continued deposit and clearance within its facilities, LivaNova believes that its shares would not be eligible for continued listing on a U.S. securities exchange and trading in the Company's shares would be disrupted. While LivaNova would pursue alternative arrangements to preserve the listing and maintain trading, any such disruption could have a material adverse effect on the trading price of LivaNova's shares

LivaNova's Approach to Stakeholders

Section 172 Statement

In accordance with Section 172 of the Companies Act 2006, the Board considers the Company's key stakeholders and takes their views and interests into account when making decisions. Clear communication and proactive engagement to understand the issues most relevant to LivaNova's stakeholders is fundamental to the directors' responsibility to act in good faith to promote the success of the Company for the benefit of shareholders. The Board is fully aware of the potential impacts of the decisions it makes for the Company's stakeholders, the environment, and the communities in which it operates, in both the short term and the long run.

Delegation of Authority

The Board believes governance of LivaNova is best achieved by delegation of its authority to the executive management of LivaNova to the CEO and the ELT, subject to defined limits and monitoring. The Board routinely monitors the delegation of authority, ensuring that it is regularly updated while retaining ultimate responsibility for the oversight of the Company's strategy, risk management, and operations in support of the long-term success of the Company. During Board meetings, the independent directors, both within their respective committees and as a full Board, review the Company's progress against strategic priorities through regular updates on financial performance, operational execution, innovation, regulatory matters, talent management, and sustainability initiatives. This collaborative approach helps to promote the long-term success of LivaNova and its stakeholders. Per the requirements of Section 172, the below articulates LivaNova's principal stakeholders, their concerns, and the Company's methods of engagement and impact.

Connecting with LivaNova's Stakeholders

Patients

LivaNova's mission is to "create ingenious medical solutions that ignite patient turnarounds" and its vision is to "change the trajectory of lives for a new day," reflecting the Company's aim to put patients on a new path when other treatments have failed. Together, these principles underscore the meaningful turnaround LivaNova seeks to bring to patients, caregivers, and healthcare professionals through its innovative solutions.

Their concerns. LivaNova's patients expect the Company to manufacture safe, high-quality products that are responsive to their needs and protective of their personal data. They seek information that is fair, balanced, easy to understand, and accessible. Patients also want LivaNova to take ownership of product complaints and concerns, and they hope to both inform - and benefit from - next-generation devices, shaped by their feedback and evolving needs.

How LivaNova engages and impacts. The Board is keenly aware of LivaNova's mission and is committed to ensuring that patient perspectives meaningfully influence the Company's strategic direction. To do so, the Board receives insights from patients and the clinical community through multiple channels, including marketing insights, healthcare professional engagement, and direct patient feedback. Board members periodically engage with healthcare professionals through advisory boards and similar forums, gaining valuable clinical perspectives that help shape research and development priorities.

In addition, the Board receives regular updates from management on innovation, quality, clinical developments, and other key areas. These updates inform the Board's oversight of strategy, risk, and long-term planning. By integrating patient needs into these discussions, the Board helps guide the continued development of therapies designed to improve outcomes, enhance quality of life, and meet the expectations of the patients LivaNova ultimately serves.

Employees

LivaNova's workforce is essential to fulfilling the Company's mission. Employees uphold the Company's strong reputation for high standards of business conduct and play a central role in delivering its purpose. In return, LivaNova strives to create an environment where employees feel proud to work, supported in their roles, and safe to contribute their best. Achieving this requires listening to employee feedback and taking meaningful action to keep teams engaged, motivated, and aligned with the Company's goals.

Their concerns. Employees want confidence that the Board considers their well-being, development, and long-term success when making strategic decisions. They seek career opportunities, clear development plans, recognition, and a positive, enjoyable workplace. In a competitive talent landscape, companies must work intentionally to attract and retain skilled employees - ensuring they feel valued, supported, and appropriately incentivised in an increasingly demanding environment.

How LivaNova engages and impacts. The Board recognises that talent is a critical driver of organisational performance. "Human Capital Management" is explicitly included in the mandate of the Compensation and Human Capital Management

STRATEGIC REPORT

LivaNova's Approach to Stakeholders

Committee, and topics such as talent development and succession planning are regular agenda items. This focus reinforces the Board's commitment to leadership continuity, organisational health, and a culture that supports long-term success.

To further align leadership performance with people-focused priorities, the Company introduced new non-financial goals within its 2025 STIP. These objectives emphasise employee engagement, strengthen career development and succession planning, and cultivate an inclusive culture - highlighting the importance of people, leadership, and culture in driving sustainable growth. The appointment of Natalia Kozmina as Chief Human Resources Officer in 2025, bringing deep expertise in human capital management, further demonstrates the Board's commitment to embedding talent development and employee engagement at the core of the Company's strategy.

To that point, in 2025, the Company introduced a refreshed brand identity and new strategic and human imperatives designed to sharpen its focus, strengthen its culture, and position the organisation for long-term growth. The strategic imperatives - Inspired People, Impactful Innovation, Accelerated Growth, and Operational Excellence - guide the Company's priorities and decision-making. The human imperatives - Empowered Accountability, Curious Mindset, Constructive Collaboration, and Thoughtful Humility - define the behaviours that fuel LivaNova's success. The Board recognises that the successful execution of this strategy depends on the engagement, expertise, and commitment of LivaNova's employees around the world. The Board directly engages with Company employees through discussions during strategic planning sessions, Board dinners, senior leadership forums, and presentations during regular and ad hoc Board meetings throughout the year. These engagements provide the Board with insights into how the Company's evolving strategy, including its new strategic imperatives and rebranding efforts, are being communicated and implemented across the organisation.

Separately, and as noted in the Human Capital Management section of this Annual Report, the Company conducted another LivaNova4You survey in early 2026. Over 94% of employees completed the survey, which encompassed questions relating to health and wellness, employment engagement, organisational transformation and change, and overall culture within the Company. Based on the results of the survey, Company leadership identified strengths including employees' sense of purpose and clarity around strategy and change; inclusion and belonging; and collaboration. Additionally, leaders within the Company identified opportunities to further enhance career development pathways, manage workloads, and role-model well-being among leadership. The Board has been kept informed throughout the process - from survey execution to review of top-line results - and management will continue to update the Board as it advances initiatives in response.

Healthcare Professionals

LivaNova's relationships with customers and healthcare professionals play a vital role in advancing its mission to improve patients' lives. These stakeholders serve as essential partners in clinical research, advisers on therapeutic innovation, and investigators in clinical studies. Maintaining strong, appropriate working relationships with them enables the Company to stay attuned to developments in diagnosis and treatment, emerging trends, and new opportunities - allowing LivaNova to respond quickly to the evolving needs of providers and patients.

Their concerns. Customers and healthcare professionals expect high-quality, effective products and want LivaNova to be accountable for the performance and safety of its therapies. They seek innovation that is responsive to patient needs, reliable product availability to meet clinical demand, and a Company that operates ethically and transparently.

How LivaNova engages and impacts. The Board is acutely aware of the importance of proper engagement with these key stakeholders. LivaNova engages by way of scientific dialogue to increase understanding of disease management, product development possibilities, and patient needs, and the Company ensures it is providing high-quality, balanced information about LivaNova's products and services. For example, in April 2025, the Board met with a healthcare professional advisory board to discuss epilepsy growth opportunities, including strategies to drive sustainable long-term growth, reduce the treatment gap, and enhance therapeutic efficacy. LivaNova also collaborates closely with healthcare professionals on clinical trials and research initiatives, ensuring that product development is informed by real-world clinical insight.

The Board receives regular updates on these engagements through business reviews and strategic portfolio discussions at Board meetings. These updates help the Board understand how clinical perspectives are shaping innovation, risk management, and long-term strategy. For further information regarding the importance of this relationship, refer to the "Risks and Uncertainties" section under the heading entitled "*The continuing development of many of LivaNova's products depends upon the Company maintaining appropriate working relationships with healthcare professionals*" in this Strategic Report.

Suppliers and Distributors

LivaNova's suppliers and distributors are critical partners in enabling the Company to deliver safe, high-quality medical technologies to patients and healthcare providers around the world. LivaNova sources components and raw materials from numerous suppliers across multiple countries, and in some cases relies on primary - or even sole - suppliers for specific materials due to quality, cost-effectiveness, or availability considerations. As a global medical device manufacturer operating in a highly regulated environment, LivaNova depends upon these third parties to provide safe, quality products, to comply with inspection

STRATEGIC REPORT

LivaNova's Approach to Stakeholders

and regulatory review, and importantly, in the face of supply chain delays and disruptions, and logistical issues, to maintain supply and distribution channels, especially in instances of sole suppliers for whom the Company has no alternatives.

Their concerns. Suppliers and distributors may face their own operational pressures, including supply chain delays, labour shortages, and logistical constraints. They seek collaborative, fair, and ethical partnerships that support the continuity of their business operations. They also expect prompt and fair payment, clear communication regarding specifications and requirements, and transparency around quality and regulatory expectations.

How LivaNova engages and impacts. The Board recognises that a resilient and well-managed global supply chain is essential to supporting the Company's strategic priorities and delivering products reliably to patients and healthcare providers. The Board receives regular updates from the management team on relationships with key suppliers, including how these relationships and associated risks are evolving in response to market conditions and broader macroeconomic factors. For example, the Board has remained apprised of shortages and interruptions affecting certain components, such as the fibre used in the manufacture of oxygenators and rare earth magnets used in the manufacture of HLMS, which could disrupt the Company's production processes.

LivaNova continues to experience supply chain delays and interruptions, labour shortages, and logistical and capacity constraints, though, to date, the Company's supply of raw materials and the production and distribution of finished products have not been materially affected. The Board remains actively involved in these risk discussions, drawing on its experiences to provide oversight and guidance as the Company works to ensure supply continuity. This includes efforts to reduce reliance on sole suppliers where possible, strengthen supplier relationships, and implement countermeasures such as enhanced inventory management. These actions help mitigate supply chain risk and support the Company's ability to meet patient and provider needs consistently. For more information regarding the significance of the Company's supplier relationships, please review the related "Risks and Uncertainties" section under the heading entitled "*Reductions and interruptions in LivaNova's supply chain have had, and may continue to have, adverse effects on LivaNova's business, results of operations, cash flows, and financial condition*" in the Strategic Report of this Annual Report.

Government and Regulators

Government policy significantly shapes LivaNova's operating environment. Product approvals, reimbursement frameworks, insurance coverage, and clinical trial requirements all influence the availability, accessibility, and economic value of LivaNova's therapies. In many countries, LivaNova's principal customers are government-owned hospitals that procure products for national health systems. Maintaining constructive, transparent relationships with governments and regulatory bodies is therefore essential to enabling the Company to develop and deliver safe, effective, and cost-efficient medical technologies for patients.

Their concerns. Governments and regulators focus on product safety, sustainability, and clinical efficacy, as well as compliance with local legal and regulatory requirements. They also expect fair competition and attention to broader social and economic considerations.

How LivaNova engages and impacts. The medical device industry is heavily regulated, and LivaNova's global operations are overseen by numerous regulatory authorities across the jurisdictions in which the Company operates. The Board relies on the management team to effectively manage its relationships with governments and regulators and raise issues of importance as the regulatory landscape evolves. As part of its regular oversight, the Board receives updates on product quality, sustainability matters, regulatory developments, and complaints.

In 2025, for example, the Company continued its coverage and reimbursement efforts with CMS. In November 2025, CMS announced updates to Medicare reimbursement for LivaNova's VNS Therapy procedures for patients with DRE, increasing payment levels for end-of-service and new patient implant procedures, effective 1 January 2026. LivaNova expects this shift will improve hospital economics for VNS Therapy, creating a more sustainable financial foundation for providers and paving the way for expanded patient access. The changes also significantly reduce a known barrier to procedure penetration as current hospital reimbursement rates for Medicare patients often do not fully cover procedure costs. In addition, LivaNova continues to pursue potential coverage expansion for patients with TRD. In June 2025, the Company submitted a draft request to CMS seeking reconsideration of the existing NCD for this indication, supported by clinical evidence from the RECOVER clinical study and related peer-reviewed analyses.

For more information regarding the intersection between Government, Regulators and LivaNova, refer to the "Government Regulation and Other Considerations," and the "Non-Financial & Sustainability Information Statements," section of the Annual Report, under the sections titled "Sustainability" and "2025 Greenhouse Gas Report."

Investors and Shareholders

Investors and shareholders are the ultimate owners of LivaNova's business, and understanding their perspectives on capital allocation, strategy and Company performance is essential. Maintaining open, constructive dialogue with shareholders enables the Board to better understand investor priorities and ensures that the Company's strategy, governance practices, and execution remain aligned with long-term value creation.

STRATEGIC REPORT

LivaNova's Approach to Stakeholders

Their concerns. LivaNova's investors and shareholders are focused on the Company's strategy, performance, and leadership. They seek transparency regarding, among other things, the Board's oversight of strategy, approach to Board refreshment, executive succession planning, and compensation philosophy. They also want insight into the Company's innovation pipeline, business performance, culture, and values, including with respect to sustainability. Ultimately, LivaNova's shareholders want confidence that the Board is effectively representing their interests and positioning the Company to create sustainable value.

How LivaNova engages and impacts. Consistent with corporate governance best practices and LivaNova's Articles of Association, the Board is committed to strong governance designed to support long-term shareholder value. These practices include annual Board and committee self-evaluations; skills assessments to support thoughtful refreshment; proactive succession planning; annual elections for directors; majority voting for directors in uncontested elections; supermajority voting to change or amend the Company's Articles of Association; and a prohibition on repricing on equity awards.

Succession planning remains a top priority for the Board and management. The NCG Committee oversees CEO succession planning, while the CHCM Committee manages succession planning for non-CEO executive officers. These processes are conducted with an eye toward the challenges and opportunities facing LivaNova and the skills the Company will require in the future. This approach enables the Board to prepare for both long-term, planned transitions and short-term, unexpected leadership changes. The CHCM Committee also reviews and discusses with the Board the development and succession plans for non-CEO executive officers, ensuring a strong leadership pipeline across the organisation.

In support of the Company's commitment to innovation and long-term growth, the Board welcomed Donald Zurbay as a director in September 2025. Mr. Zurbay brings extensive leadership experience in driving innovation-focused transformation and scaling growth within the life sciences industry. His expertise in global operations, strategy, and innovation aligns closely with LivaNova's strategic priorities and enhances the Board's ability to oversee the Company's innovation agenda.

In addition, the Board, particularly the AC Committee, is actively involved in reviewing quarterly and full-year results and corresponding press releases that inform earnings calls and webcasts. The Investor Relations team provides quarterly updates to the Board on shareholder activity and any significant changes in holdings, and copies of analyst reports on the Company and its peers are circulated regularly to the directors. The AGM remains a key engagement mechanism, offering shareholders the opportunity to hear directly from the Board and management and to exercise their voting rights. At the 2025 AGM, all resolutions received strong support, with each proposal approved by more than 96% of votes cast.

Beyond the AGM, LivaNova is committed to ongoing engagement with shareholders. The Board remains available to meet with investors throughout the year to understand the issues most important to them. In 2025, management met with shareholders and prospective investors on topics including, but not limited to, Company performance, innovation, existing and future products, clinical data and milestones, human capital management and executive compensation. In November 2025, LivaNova held an Investor Day where Company management presented their comprehensive strategic roadmap and long-term financial targets. The event included a detailed review of the Company's innovation pipeline, ongoing R&D investments, key clinical programmes, and the Company's strategy to expand its leadership in neuromodulation and cardiopulmonary technologies - reinforcing LivaNova's commitment to advancing therapies that address significant unmet patient needs.

The Board and management value the perspectives of shareholders and remain committed to providing transparent, balanced, and meaningful engagement. Ongoing dialogue enables investors to assess the Company's performance and long-term prospects, while ensuring the Board remains informed of shareholder priorities as it oversees strategy, governance, and capital allocation. This continued engagement supports LivaNova's ability to access capital when needed and reinforces the Company's commitment to long-term value creation.

This Strategic Report is approved and signed on behalf of the Board.



Vladimir Makatsaria
Chief Executive Officer & Director
27 April 2026

DIRECTORS' REPORT

Livano's Directors

The Directors of the Parent Company, who held office in the year ended 31 December 2025 and up to the date of signing the financial statements, were as follows:

Chair and Executive Director

Mr. William Kozy

Executive Director

Mr. Vladimir Makatsaria

Non-Executive Directors

Mr. James Christopher Barry

Mr. Francesco Bianchi

Ms. Stacy Enxing Seng

Dr. Sharon O'Kane

Ms. Susan Podlogar

Mr. Todd Schermerhorn

Ms. Brooke Story

Mr. Peter Wilver

Mr. Donald Zurbay*

*Mr. Zurbay was appointed to the Board on 4 September 2025.

Directors' Indemnities

Each director is covered by appropriate directors' and officers' liability insurance, and there are also deeds of indemnity in place between the Parent Company and each director. These deeds of indemnity provide for the Parent Company to indemnify the directors in respect of any proceedings brought by third parties against them personally in their capacity as directors of the Parent Company. The Parent Company would also fund ongoing costs in defending a legal action as they are incurred rather than after judgement has been given. In the event of an unsuccessful defence in an action against them in a criminal or civil action, individual directors would be liable to repay defence costs to the extent funded by the Parent Company. In respect of any investigations or actions taken by a regulatory authority, individual directors would be liable to repay defence costs to the extent funded by the Parent Company if that regulatory authority has determined that the relevant director has acted fraudulently, been grossly negligent, or has engaged in wilful misconduct in relation to that claim.

There were no qualifying pension scheme indemnity provisions in force during the 2025 financial year for the Company's directors.

Parent Company Details and Branches Outside the UK

The Parent Company is a public limited company incorporated in England and Wales with registered number 09451374. The Parent Company's registered address is 20 Eastbourne Terrace, London, England W2 6LG, United Kingdom.

The Parent Company has one branch outside the UK: Livano PLC (Italian Branch) in Italy. The registered address for this branch is Via Enrico Cialdini, 16, 20161 Milano, Italy.

Political Donations

The Company has not made any political donations, or incurred any political expenditure, in the period under review. In addition, the Company has not made any contributions to a non-UK political party during the period under review. Moreover, the Company has not sought shareholder approval in relation to political donations.

DIRECTORS' REPORT

Directors

Dividends and Share Buybacks

No dividend has been proposed during, or in respect of, the course of the year under review, and the Company has never declared a dividend. The Parent Company has no immediate intention to declare and pay dividends.

The Parent Company has not purchased or acquired any of its own shares pursuant to section 659 of the Companies Act 2006 during the course of the year under review. Please see section "Relative importance of spend on pay" in this Annual Report.

Financial Risk Management Objectives/Policies and Hedging Arrangements

Refer to "Note 25. Financial Risk Management" in the consolidated financial statements for information on LivaNova's financial risk management objectives/policies and hedging arrangements.

Post-Balance Sheet Events

On 8 January 2026, LivaNova paid \$97.7 million in an early repayment of the amount outstanding under the Term Facilities in full, along with accrued interest.

On 18 March 2026, the FDA granted PMA for the aura6000 System. As a result, LivaNova increased the associated contingent consideration provision \$10.7 million during 2026 through the issuance of these consolidated financial statements.

Future Developments/Research and Development

Details of the activities of the Company in research and development, as well as likely future developments are set out in the Business Overview of the Strategic Report.

Greenhouse Gas Reporting

LivaNova reports on the Company's greenhouse gas emissions in the Company's Strategic Report: 2025 Greenhouse Gas Report of this Annual Report.

Section 172 Statement

In accordance with section 172 of the Companies Act 2006, the Board considers the Company's key stakeholders and takes their views and interests into account when making decisions. Refer to the section: Strategic Report, LivaNova's Approach to Stakeholders.

Statement of Disclosure to the UK Auditor

In accordance with section 418 of the Companies Act 2006, the Directors at the date of this Directors' Report confirm that:

- so far as they are aware, there is no relevant audit information of which the Group's and Parent Company's Auditor is unaware; and
- they have taken all the steps they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Group's and Parent Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

PricewaterhouseCoopers LLP, the Company's Auditor, has indicated its willingness to continue in office, and on the recommendation of the AC Committee and in accordance with section 489 of the Companies Act 2006, a resolution to reappoint it will be proposed at the 2026 AGM.

Statement of Directors' Responsibilities in Respect of the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework" and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group and Parent Company for that period.

DIRECTORS' REPORT

Directors

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for Parent Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The directors are responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements and the Remuneration Report comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This Directors' Report is approved by order of the Board.



Sarah K. Mohr
Company Secretary
27 April 2026

Remuneration Report

Dear Shareholder,

On behalf of the Board, I am pleased to present the Company's Remuneration Report for the year ended 31 December 2025.

LivaNova's 2025 execution and financial performance were strong as demonstrated by revenue growth across all regions and significant adjusted operating margin expansion. We achieved a 15% increase in adjusted diluted EPS, and a substantial improvement in cash generation. Notably, this performance was achieved while continuing to invest in innovation and strengthen critical capabilities. We are pleased with these financial outcomes and the progress made in refining our strategy and strengthening our culture. Our 2025 results allow us to demonstrate our appreciation to our employees through rewards that reflect Company performance and align with competitive global compensation practices.

In 2025, the CHCM Committee played an active role in reviewing the overall compensation framework for key executives, including our CEO, Vladimir Makatsaria, while advancing its philosophy on compensation and culture across the organisation. Throughout the year, we sharpened our focus on attracting, motivating, developing, and retaining talent in order to continue cultivating an inclusive culture that supports our patients and communities. We also recommended enhancements to the 2026 programme to further align pay with the Company's strategic performance.

Review of 2025 Performance

In 2025, the Company continued to execute its strategic priorities with an emphasis on operational and financial discipline, and long-term value creation. The Cardiopulmonary and Epilepsy businesses delivered consistent performance, contributing to operating margin expansion and strong cash generation. These results supported ongoing investment in innovation while maintaining adherence to the Company's capital allocation framework.

During the year, the Company advanced development activities related to its OSA program. Progress in this area was funded through the strength of the core businesses and managed within established cost and investment parameters. Management maintained a disciplined approach to resource deployment and expense control, consistent with the Company's commitment to prudent risk management and sustainable growth.

Remuneration outcomes are based on a US GAAP basis, where full-year 2025 revenue of \$1.39 billion increased 10.7% on a reported basis, 9.7% on a constant-currency basis, and 10.7% on an organic basis as compared to the prior year.

On a U.S. GAAP basis, full-year 2025 operating income was \$199.4 million, as compared to operating income of \$129.1 million for full-year 2024. Adjusted operating income for full-year 2025 was \$286.1 million, as compared to adjusted operating income of \$239.2 million for full-year 2024.

Full-year 2025 net cash provided by operating activities was \$254.3 million and adjusted FCF was \$183.3 million.

In addition to the above financial results, management announced a number of key developments over the past year:

- In May 2025, the Company released 12-month top-line results from the OSPREY pivotal trial assessing its aura6000 System for moderate to severe obstructive sleep apnoea. The treatment arm achieved a 65% responder rate - with both apnoea-hypopnea index and oxygen desaturation index reduced by a median of 68% - while also showing clinically meaningful improvements in the Epworth Sleepiness Scale and Functional Outcomes of Sleep Questionnaire.
- In June 2025, the Company initiated the process with CMS to seek reconsideration of national Medicare coverage for VNS Therapy in unipolar treatment-resistant depression, supported by five peer-reviewed publications from the RECOVER study. The fifth paper was published in The Journal of Clinical Psychiatry, demonstrating that patients previously treated with interventional therapies, including electroconvulsive therapy or transcranial magnetic stimulation, experienced significant clinical benefits from VNS Therapy.
- Also, in June 2025, the Company announced long-term results from the CORE-VNS study - the largest real world evidence study in neuromodulation for epilepsy - demonstrating the strength of VNS Therapy across different seizure types for patients with DRE. The CORE-VNS study showcased substantial reductions in generalised tonic-clonic seizures at 24 months in people with DRE as well as both early and sustained outcomes in severe focal seizures at 36 months in both adults and children, further validating the long-term efficacy of adjunctive VNS Therapy.
- In August 2025, the Company announced the launch of the Essenz Perfusion System in China, following regulatory approval from China's National Medical Products Administration.
- In November 2025, CMS assigned VNS Therapy for Drug-Resistant Epilepsy to a higher APC for NPIs and elevated end-of-service procedures into the Level 5 APC. These changes, which became effective as of 1 January 2026, significantly improve hospital reimbursement.

REMUNERATION REPORT

Statement from the Chair of the Compensation and Human Capital Management Committee

2025 Compensation Review

The Company's 2025 STIP was designed to incentivise the achievement of short-term business objectives aligned with our strategy and to reinforce the link between performance and reward, thereby supporting the creation of further shareholder value. The 2025 STIP included both financial objectives - Net Revenue and Adjusted Operating Income (as defined below) - and non-financial goals, as described below.

Both of the financial objective targets under the 2025 STIP were overachieved. Net Revenue was overachieved at 103.3% versus target, and Adjusted Operating Income was overachieved at 101.9% versus target, ultimately leading to a payout percentage of 123.6% and 109.5%, respectively, resulting in an overall financial objective achievement of 116.6%.

The CHCM Committee set a number of non-financial goals with respect to the 2025 STIP that were deemed to be challenging yet individually achievable, with the minimum and maximum scoring for each independent goal respectively set at 75% and 125%. Based on the level of achievement of the 2025 non-financial objectives, and considering both quantitative and qualitative results, the CHCM Committee determined a Non-Financial Goal Modifier of 105%. Combined with LivaNova's 2025 STIP financial objective achievement of 116.6%, the STIP resulted in a payout of 122.40% of target.

On 19 February 2025, the CHCM Committee approved the base salary increase of Mr. Makatsaria from his initial annualised base salary of \$930,000 to \$965,000, and confirmed a target annual bonus equal to 110% of his base salary. Mr. Makatsaria also received long-term equity incentive awards for the Company's regular 2025 annual grant cycle with a target grant date fair value of \$5,500,000 as described further below.

The 2025 LTIP for Mr. Makatsaria consisted of SAR grants with a four-year vesting schedule based on service and a face value of \$1,375,000, RSUs with a three-year vesting schedule based on service and a face value of \$1,375,000, and PSUs consisting of three separate performance metrics with a three-year cliff-vesting schedule (Adjusted ROIC, rTSR, and Adjusted FCF) with an aggregate face value of \$2,750,000 at target payout.

Remuneration Report

We were pleased with the endorsement of LivaNova's compensation of its named executive officers (otherwise known as U.S. Say on Pay), which was approved by 97% of the votes cast by shareholders at our 2025 AGM. The advisory vote on the Remuneration Report for the year ended 31 December 2025 also showed strong support with 97% approval of the votes cast. The CHCM Committee took into account shareholder and other stakeholder feedback along with the results of each of these votes and considered all such information when making the compensation decisions. The CHCM Committee will continue to ensure that performance outcomes, and any consequent payments, are aligned with business performance.

Remuneration Policy

Our current Remuneration Policy was approved at the 2025 AGM, and we will be seeking shareholder approval for a new Remuneration Policy at the 2028 AGM. Given the global talent market in which LivaNova competes, we use U.S. pay levels and structures as our primary reference to establish competitive remuneration levels for our executive directors.

NED Remuneration

Remuneration for our NEDs includes an annual cash retainer for each of the NEDs, cash amounts paid in addition to the basic retainer for the Chair of the Board and for the chairs and members of the three committees of the Board (the Audit and Compliance, Compensation and Human Capital Management, and Nominating and Governance committees - see Single Total Figure of Remuneration - Chair and NEDs (Audited) for more details), and annual service-based share awards.

Based on benchmarking data and upon the advice of its independent compensation consultant, Pearl Meyer, the CHCM Committee recommended that the Board adjust the mix of cash and equity compensation for NEDs to better align with market practices.

In February 2026, the Board approved the following changes, effective as of the Company's 2026 AGM. Specifically, the Board determined that it was in the best interests of shareholders to increase the equity retainer for all non-Chair directors from \$185,000 to \$190,000, reduce the equity retainer for the Chair of the Board from \$260,000 to \$190,000, and, with respect to the Chair of the Board, eliminate the equity premium in favour of a cash premium by increasing the Board retainer from \$145,000 to \$160,000. Directors other than the Chair of the Board will continue to receive an annual Board retainer of \$70,000, as approved at the 2025 AGM. No other changes have been made to NED compensation for 2026.

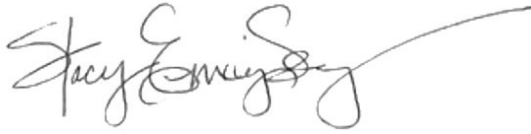
Moving forward, the CHCM Committee will continue to monitor the development of best practices relating to all remuneration. We are committed to ensuring that our remuneration is strongly linked to performance and strategy execution, so as to continue delivering sustainable value for our shareholders.

As Chair of the CHCM Committee, I am committed to ensuring an open dialogue with our shareholders. If you have any questions about remuneration generally, or the presentation or the content of this report, please contact me via mail at c/o

REMUNERATION REPORT

Statement from the Chair of the Compensation and Human Capital Management Committee

Company Secretary, LivaNova PLC, 20 Eastbourne Terrace, London W2 6LG, United Kingdom or via email at company.secretariat@livanova.com. I would like to thank my fellow CHCM Committee members for their support throughout the year, and we look forward to your support at our 2026 AGM.

A handwritten signature in black ink, appearing to read 'Stacy Enxing Seng', with a long horizontal flourish extending to the right.

Stacy Enxing Seng
Chair of the Compensation and Human Capital Management Committee
27 April 2026

How LivaNova Establishes Executive Compensation Levels

The Directors' 2025 Remuneration Policy, which aims to encourage directors to perform in a consistent, responsible way with the focus on long-term value creation for the Company's shareholders, became effective immediately after approval at the 2025 AGM. The Committee considers the Company's Remuneration Policy annually to ensure that it remains aligned with business needs and is appropriately positioned relative to the market. However, in the absence of exceptional or unexpected circumstances that may necessitate a change to the Remuneration Policy, there is no intention to revise it more frequently than every three years as required by the Companies Act 2006.

LivaNova strives to remain competitive in order to retain key talent, which is essential to the Company's successful operation, and the CHCM Committee continues to monitor the development of best practices relating to remuneration. In keeping with the Remuneration Policy in making executive compensation determinations, the Company relies on several factors to set compensation elements and compensation targets that are consistent with the Company's executive compensation programme objectives, which include:

■ Assessment of Company Performance

The CHCM Committee establishes specific, objectively measurable company financial and non-financial performance goals that the Board, the CHCM Committee, and management believe are aligned to shareholder value creation. The relative achievement of the performance objectives determines substantially all of the payouts under the Company's short-term incentive plan and its performance-based equity incentive awards.

■ Assessment of Individual Performance

Individual performance is a key consideration in LivaNova's compensation decisions.

■ CEO

Following discussion with the incumbent CEO, the CHCM Committee sets the CEO's performance objectives for the year. The CHCM Committee and the Chair of the Board meet in executive session annually to assess the incumbent CEO's performance against their performance objectives, their contribution to the Company's performance, their ethics, and other leadership attributes.

■ Benchmarking Analysis

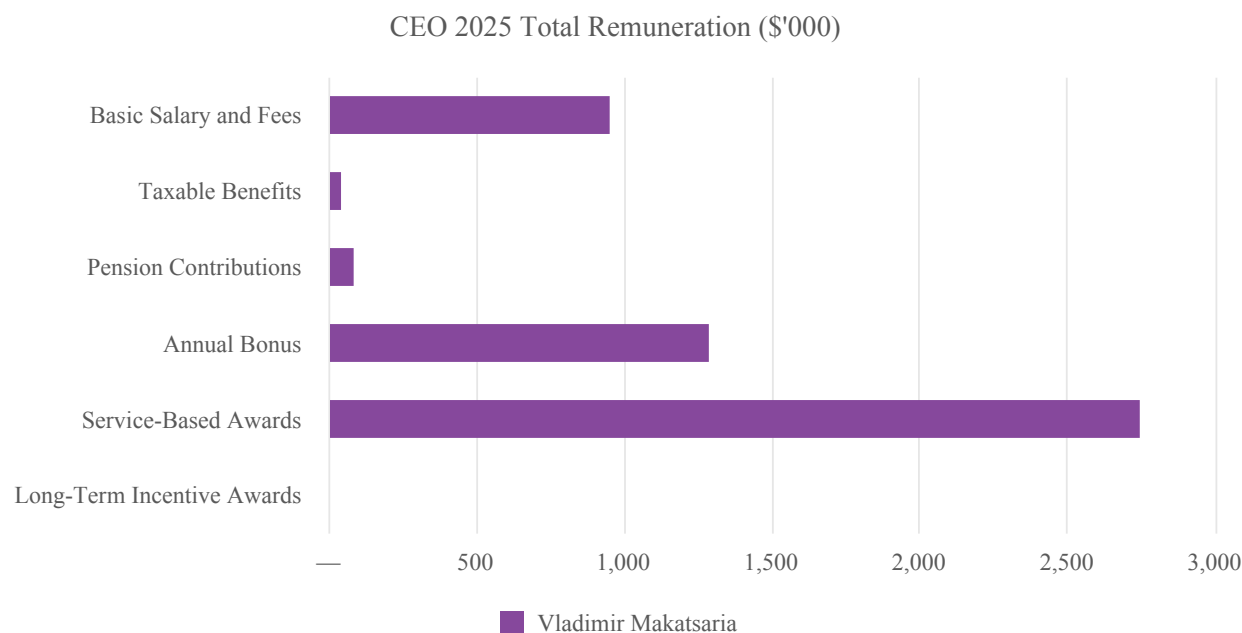
The CHCM Committee reviews peer group data based on benchmark analysis provided by its independent compensation consultant, Pearl Meyer, which compares individual pay to comparable roles among LivaNova's peer group. To perform the benchmark analysis, Pearl Meyer uses survey data from Radford Aon, which is the compensation survey platform LivaNova uses for salary benchmark data, as well as data from a pre-established peer group selected by the CHCM Committee.

■ Overall Competitiveness

The CHCM Committee uses aggregated market data and its peer group as reference points to ensure that executive compensation falls within the broad middle range of comparable pay at peer companies with which the Company competes for talent.

2025 Remuneration Report

Single Total Figure of Remuneration - Executive Director (Audited)



	Basic Salary and Fees (\$'000) ⁽¹⁾	Taxable Benefits (\$'000) ⁽²⁾	Pension Contributions (\$'000) ⁽³⁾	Other (\$'000)	Total Fixed (\$'000)	Annual Bonus (\$'000) ⁽⁴⁾	Service-Based Awards (\$'000) ^{(5) (6)}	Performance-Based Awards (\$'000) ⁽⁵⁾	Total Variable (\$'000)	Total (\$'000)
Vladimir Makatsaria - 2025	956	42	83	—	1,081	1,288	2,750	—	4,038	5,119
Vladimir Makatsaria - 2024	773	277	80	200	1,330	1,072	4,175	—	5,247	6,577
William Kozy - 2024	165	2	—	—	167	220	—	—	220	387

⁽¹⁾ In 2025, Mr. Makatsaria was paid a base salary of \$930,000 per annum until 31 March 2025 and \$965,000 from 1 April 2025 onward, and in 2024, Mr. Makatsaria was paid a prorated base salary of \$772,615 from his start date of 1 March 2024 – based on an annual salary of \$930,000. In 2024, Mr. Kozy was paid a prorated base salary of \$165,000 until 29 February 2024 – based on an annual salary of \$975,000. The amounts Mr. Kozy received as an NED in 2024 are reported separately in the “Single Total Figure of Remuneration – Chair and NEDs (Audited)” section below

⁽²⁾ In 2025, for Mr. Makatsaria, the taxable benefits column line includes: (i) tax assistance in the amount of \$7,806; and (ii) medical, dental, vision, and long-term disability insurance in the overall amount of \$34,621. In 2024, for Mr. Kozy, the taxable benefits column line includes tax assistance amounting to £1,500, the equivalent of \$1,917 using a currency conversion rate of £/\$ = 1.27796 (average currency rate for the period 1 January 2024 to 31 December 2024).

⁽³⁾ In 2025, Mr. Makatsaria received \$14,000 from the Company as contributions into the Company-sponsored 401(k) plan. In addition, the Company contributed \$68,928 to the Company-sponsored Non-Qualified Deferred Compensation Plan on behalf of Mr. Makatsaria, including the contribution accrued in relation to his bonus payout. In 2024, Mr. Kozy declined any retirement benefit, despite being eligible for the Company’s 401(k) retirement plan and U.S. Non-Qualified Deferred Compensation Plan

⁽⁴⁾ The annual bonus payment for Mr. Makatsaria is explained in the “Short-Term Incentive Plan - Executive Director (Audited)” section below.

⁽⁵⁾ Because of LivaNova’s strong U.S. nexus (listing and shareholding base), the 2025 LTIP allows for the grant of service-based awards that have no performance requirement, which vest subject to continued service in tranches over one or more years or by cliff vesting, as well as awards with a performance requirement. Due to the difference in design of the 2025 LTIP versus a typical long-term incentive plan in the UK, and in order to provide optimal transparency, LivaNova has created separate columns for such service-based awards and performance-based awards. Amounts recorded in the “Service-Based Awards” column are equal to the full grant date value of the equity awards (Award Value) (whether in the form of RSUs or SARs). As a SAR by definition has zero value at the moment of grant, LivaNova has recorded the grant value approved by the CHCM Committee (i.e., the fair market value of the SARs on the date of grant calculated using the Black-Scholes formula). The “Performance-Based Awards” column does not include any amount for 2025 as the PSU granted in 2025 are subject to a three-year performance period.

⁽⁶⁾ The service-based portion of the 2025 LTIP grant consisted of SARs and RSUs, respectively with a four-year and three-year vesting schedule and a respective face value of \$1,375,000.

REMUNERATION REPORT
2025 Remuneration Report

Short-Term Incentive Plan - Executive Director (Audited)

LivaNova’s STIP is an annual cash-based incentive bonus plan, which is an important component of the Company’s total compensation programme. It provides incentives that compensate the Company’s incumbent CEO for achieving objectives intended to align with shareholder value creation.

Under English company law, LivaNova is required to adopt a remuneration policy for its directors, including its CEO, who is also a director. Under that shareholder-approved Remuneration Policy, the maximum short-term incentive of the Company’s incumbent CEO cannot exceed 225% of his base salary.

The table below shows the minimum, target, and maximum achievement of the target payout under the 2025 STIP:

	2025 STIP Minimum (Percentage of Base Salary)	2025 STIP Target (Percentage of Base Salary)	2025 STIP Maximum (Percentage of Target)⁽¹⁾
Vladimir Makatsaria	—%	110%	187.5%

⁽¹⁾ Per the Remuneration Policy, the maximum bonus opportunity is 225% of base salary.

The performance objectives selected by the CHCM Committee for the 2025 STIP were as follows:

Business Performance Factor	=	(50 %	Net Sales Payout %	+	50 %	Adjusted Operating Income Payout %)	X	Non-Financial Goals Modifier %
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If the threshold for a financial objective is achieved, funding for that objective is scaled down or up for underachievement or overachievement, respectively, of the objective, as follows:

Net Sales Payout

Achievement %	Payout %
<93%	0%
93%	50%
Linear Interpolation	
100%	100%
Linear Interpolation	
≥107%	150%

Adjusted Operating Income Payout

Achievement %	Payout %
<90%	0%
90%	50%
Linear Interpolation	
100%	100%
Linear Interpolation	
≥110%	150%

“Net Sales” is defined as the Company’s net sales for 2025 at constant currency exchange rates, excluding net sales from any acquisitions, divestitures, restructuring, and other strategic transactions, in 2025. “Adjusted Operating Income” is defined as the Company’s non-GAAP operating income at constant currency exchange rates, after adjustments for the effects of acquisitions, divestitures, restructuring, integration, product remediation, purchase price allocation and intangible amortisation, significant litigation, equity compensation, significant non-cash adjustments, and other infrequent, unusual, or nonrecurring items not incurred in the ordinary course of business.

The non-financial objectives comprise goals aligned with our strategic imperatives of inspired people, impactful innovation, accelerated growth, and operational excellence that will drive revenue generation beyond 2025. The Non-Financial Goal Modifier is determined by the CHCM Committee within a range of 75% to 125% based on its evaluation of performance versus a set of pre-determined non-financial goals.

REMUNERATION REPORT

2025 Remuneration Report

If the threshold for a Non-Financial Goal Modifier is achieved, then the funding pool is scaled down or up for underachievement or overachievement, respectively, as follows:

Non-Financial Goal Modifier

Achievement %	Payout %
≤75%	75%
Linear Interpolation	
100%	100%
Linear Interpolation	
≥125%	125%

The CHCM Committee considers both quantitative and qualitative results and applies discretion when evaluating performance and determining the payout factor. The CHCM Committee reserves the right to adjust an individual's bonus based on an overall assessment of their performance and contributions during the plan year.

Bonuses are based on the Company's performance over the calendar year, which is also the Company's financial year, and are generally paid in March of the following year after completion of the audit of the Company's annual financial statements. The Company's performance in 2025, as defined by the 2025 STIP, was as follows:

Financial Objectives	Weight (%)	Target (\$M)	Achievement (\$M)	Achievement (%)	Financial Payout (% vs Target)
Net Sales	50%	1,321.9	1,365.5	103.3	123.6%
Adjusted Operating Income	50%	276.4	281.7	101.9	109.5%
					116.6%

Non-Financial Objectives

The table below describes the Company's Non-Financial Goal achievements:

Strategic imperative	Weight (%)	Description	Achievement	Achievement description
Inspired People	35%	Engage our people to excel	112%	Overachieved due to broad improvements in employee sentiment and stronger alignment with the Company's strategy.
		Strengthen career development and succession		Achieved through enhanced talent processes and leadership initiatives.
		Build an inclusive culture		Overachievement driven by continued progress in key culture areas of focus across the organisation.
Impactful Innovation	35%	Finalise strategic road map	115%	Achieved with timely delivery and communication of long-term strategic priorities.
		Strengthen core innovation pipeline through achievement of key milestones		Overachieved as several major development milestones were reached ahead of expectations.
		Advance OSA and DTD to achieve market access		Overachieved through accelerated regulatory and clinical progress enabling earlier readiness.
		Strengthen capability to accelerate innovation strategy		Achieved through enhancements in innovation governance and organisational capabilities.
Accelerated Growth	15%	Drive growth through key levers, including Essenz Upgrade, Cardiopulmonary consumable output increase, U.S. Epilepsy NPI, and price increase	80%	Partially achieved primarily due to external supply constraints and the impact of market-related factors, despite solid pricing performance.
Operational Excellence	15%	Modernise IT infrastructure	90%	Achieved with successful deployment of core systems supporting operational scalability.
		Ensure safety and reliability of our product through a robust Quality Management System		Achieved as quality system improvements were implemented to strengthen product oversight.
		Optimise Cardiopulmonary Supply Chain		Partially achieved, as progress on cost and capacity initiatives was offset by external constraints affecting certain deliverables.
Non-Financial Goal Modifier			105%	

REMUNERATION REPORT 2025 Remuneration Report

Based on the level of achievement of the 2025 non-financial objectives and considering both quantitative and qualitative results, the CHCM Committee determined a Non-Financial Goal Modifier of 105%.

Business Performance Factor

Combining the Non-Financial Goal Modifier of 105% with LivaNova's 2025 STIP financial objective achievement of 116.6%, the overall STIP produced a payout of 122.4% of target.

Percentage Change in Director Remuneration Compared to Other Employees

The table below shows the annual percentage change in remuneration in respect of each of the Company's directors, and the average percentage change in the remuneration of the Company's employees (other than those who are also a director and on a full-time equivalent basis) between 2025 and 2024, 2024 and 2023, 2023 and 2022, 2022 and 2021, and 2021 and 2020:

	Change in 2025 against 2024 (%)			Change in 2024 against 2023 (%)			Change in 2023 against 2022 (%)			Change in 2022 against 2021 (%)			Change in 2021 against 2020 (%)		
	Base salary change %	Benefits change %	Annual Cash Bonus change %	Base salary change %	Benefits change %	Annual Cash Bonus change %	Base salary change %	Benefits change %	Annual Cash Bonus change %	Base salary change %	Benefits change %	Annual Cash Bonus change %	Base salary change %	Benefits change %	Annual Cash Bonus change %
Vladimir Makatsaria	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
William Kozy	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Stacy Enxing Seng	(16)%	—	—	(21)%	—	—	—	—	—	—	—	—	—	—	—
Todd Schermerhorn	(14)%	—	—	(20)%	—	—	—	—	—	—	—	—	—	—	—
Francesco Bianchi	(14)%	—	—	(21)%	—	—	—	—	—	—	—	—	—	—	—
Dr. Sharon O'Kane	(20)%	—	—	(29)%	—	—	+18%	—	—	+2%	—	—	—	—	—
Peter Wilver	(14)%	—	—	(22)%	—	—	—	—	—	—	—	—	—	—	—
Brooke Story	(17)%	—	—	(24)%	—	—	—	—	—	—	—	—	—	—	—
Chris Barry	(11)%	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Susan Podlogar	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Donald Zurbay	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Average for all employees	+4%	+2%	+9%	+4%	+36%	(13)%	+4%	+30%	+22%	+3%	+1%	(11)%	+3%	+10%	+223%

“—” indicates that a comparison is not applicable for one of the following reasons: the director was not in the same office for two continuous financial years; in the case of Non-Executive Directors, their remuneration does not include an Annual Cash Bonus; the prior year amount was zero; or the Committee determined that a comparison would not be meaningful, for example, in respect of year-on-year changes in taxable travel expenses.

By comparison, in 2025 versus 2024, the remaining employees of LivaNova PLC, other than the ELT, received an average base salary increase of 4% and an average taxable benefit increase of +2% (the latter related to the higher cost of employer-provided private medical coverage in 2025 versus 2024). Employees also received an average annual bonus payout increase of 9% in 2025 versus 2024. The average annual cash bonus payout was 123% in 2025 versus 114% in 2024.

Single Total Figure of Remuneration - Chair and NEDs (Audited)

	Basic Annual Fee		Additional Fee		Benefits		Total Fixed		Service-Based Share Awards		Total	
	(\$'000) ^{(1) (4)}		(\$'000) ^{(1) (5)}		(\$'000) ⁽²⁾		(\$'000)		(\$'000) ⁽³⁾		(\$'000)	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
William Kozy	66	64	75	63	7	17	148	144	260	313	408	457
Stacy Enxing Seng	66	82	20	20	6	14	92	116	185	180	277	296
Todd Schermerhorn	66	82	30	30	7	17	103	129	185	180	288	309
Francesco Bianchi	66	82	24	23	22	21	112	126	185	180	297	306
Dr. Sharon O'Kane	66	82	20	25	9	5	95	112	185	180	280	292
Peter Wilver	66	82	24	23	6	6	96	111	185	180	281	291
Brooke Story	66	82	9	8	6	7	81	97	185	180	266	277
Chris Barry	66	82	24	19	6	9	96	110	185	180	281	290
Susan Podlogar	66	14	9	2	6	0	81	16	185	121	266	137
Donald Zurbay	22	—	5	—	1	—	28	—	142	—	170	—

⁽¹⁾ The following cash amounts are paid in addition to the annual cash retainer of \$70,000 (\$60,000 until the 2025 AGM; \$50,000 until the 2024 AGM; and \$110,000 in 2024 prior to the 2024 AGM): (i) any NED serving as the Chair of the Board received an additional annual retainer of \$75,000 for such service; (ii) any NED serving as Chair of the AC Committee receives an additional annual retainer of \$30,000 for such service and any NED serving as a member of the AC Committee (other than the Chair) received an additional annual retainer of \$15,000 for such service; (iii) any NED serving as Chair of the CHCM Committee received an additional annual retainer of \$20,000 for such service, and any NED serving as a member of the CHCM Committee (other than the Chair) received an additional annual retainer of \$10,000 for such service (\$8,000 until the 2025 AGM); and (iv) any NED serving as Chair of the NCG Committee received an additional annual retainer of \$20,000 for such service and any NED serving as a member of the Nominating and Governance Committee (other than the Chair) received an additional annual retainer of \$10,000 for such service (\$8,000 until the 2025 AGM). In the "2025" column the amounts of the "Basic Annual Fee" and the "Additional Fee" for Mr. Zurbay reflect the fees earned since his appointment. In the "2024" column the amounts of the "Basic Annual Fee" and the "Additional Fee" for Ms. Podlogar reflect the fees earned since her appointment.

⁽²⁾ The amounts refer to expense reimbursements for the directors to exercise their roles which are considered taxable under UK tax legislation (in particular: (i) certain travel, accommodation, meals, and other subsistence costs incurred while travelling to attend meetings, on-site visits, and other company-related matters; and (ii) certain expenses incurred in attending continuing professional development courses).

⁽³⁾ The figures included for 2025 reflect the annual award of service-based RSUs, which were granted on 15 June 2025, vest on 15 June 2026, and have a grant value of \$185,000 for all NEDs, except for Mr. Kozy who received a grant value of \$260,000 as the Chair of the Board.

⁽⁴⁾ Payments are made quarterly to directors.

⁽⁵⁾ Dr. O'Kane was appointed as Lead Director of the Board on 19 April 2023, in connection with the appointment of Mr. Kozy as interim CEO. In recognition of the increased responsibilities and time commitment assumed as Lead Director and per market practice as advised by the CHCM Committee's independent compensation consultant, Pearl Meyer, the CHCM Committee and Board approved an additional annual retainer fee of \$30,000, which was paid quarterly to Dr. O'Kane for her role as Lead Director. When Mr. Kozy returned to his role of Chair of the Board, the role of Lead Director was no longer deemed necessary and consequently the additional retainer fee for Dr. O'Kane ceased effective 29 February 2024.

REMUNERATION REPORT
2025 Remuneration Report

2025 Schemes Interests Awarded (Audited)

Director	Face Value of Award (\$)(1)	No. of Shares Subject to the Award (2)	Percentage if Minimum Performance is met for Awards (3)	Closing Share Price on Date of Grant (for Face Value Calculation) (\$)(4)	Date of Grant	Expiry of Performance Period	Basis of Award	Type of Award and Performance Criteria
Vladimir Makatsaria	2,749,978	70,278	40%	39.13	30/3/2025	31/12/2027	Fixed value	rTSR PSUs (2)
Vladimir Makatsaria	1,374,950	35,138	20%	39.13	30/3/2025	31/12/2027	Fixed value	FCF PSUs (2)
Vladimir Makatsaria	1,374,950	35,138	50%	39.13	30/3/2025	31/12/2027	Fixed value	ROIC PSU (2)
Vladimir Makatsaria	1,374,989	35,139		39.13	30/3/2025	N/A	Fixed value	Service-Based RSUs
Vladimir Makatsaria	1,374,993	76,927		17.874	30/3/2025	N/A	Fixed value	Service-Based SARs
Vladimir Makatsaria Total Face Value 2025 Awards	8,249,860							
William Kozy	259,963	5,681		45.76	15/6/2025	N/A	Fixed value	Service-Based RSUs
Francesco Bianchi	184,962	4,042		45.76	15/6/2025	N/A	Fixed value	Service-Based RSUs
Stacy Enxing Seng	184,962	4,042		45.76	15/6/2025	N/A	Fixed value	Service-Based RSUs
Dr. Sharon O’Kane	184,962	4,042		45.76	15/6/2025	N/A	Fixed value	Service-Based RSUs
Todd Schermerhorn	184,962	4,042		45.76	15/6/2025	N/A	Fixed value	Service-Based RSUs
Peter Wilver	184,962	4,042		45.76	15/6/2025	N/A	Fixed value	Service-Based RSUs
Brooke Story	184,962	4,042		45.76	15/6/2025	N/A	Fixed value	Service-Based RSUs
Chris Barry	184,962	4,042		45.76	15/6/2025	N/A	Fixed value	Service-Based RSUs
Susan Podlogar	184,962	4,042		45.76	15/6/2025	N/A	Fixed value	Service-Based RSUs
Donald Zurbay	141,901	2,560		55.43	15/09/2025	N/A	Fixed value	Service-Based RSUs

(1) The face value of RSU awards is calculated using the most recent closing market price of an ordinary share of the Company’s stock on the Nasdaq on the date of grant. The face value of PSU awards represents the maximum number of PSUs (200% of target) multiplied by the most recent closing market price of an ordinary share of the Company’s stock on the Nasdaq on the date of grant. SARs awarded to Mr. Makatsaria are calculated by dividing the award value by the Black-Scholes value of a SAR based on the date of grant (\$17.874). With respect to SARs, because a SAR by definition has zero value at the moment of grant, LivaNova has recorded the grant value approved by the CHCM Committee as the face value.

(2) For PSUs, this represents the maximum number of underlying shares (200% of the target).

(3) PSU details are found in the “2025 LTIP (Audited)” section below.

(4) For SAR awards, this represents the Black-Scholes value of one SAR on the date of grant, rather than the closing market price of an ordinary share of the Company’s stock on the Nasdaq on the date of grant.

2025 LTIP (Audited)

Mr. Makatsaria

The 2025 LTIP applicable to Mr. Makatsaria comprised both service-based and performance-based awards.

REMUNERATION REPORT
2025 Remuneration Report

2025 Service Based Awards

Service-Based Restricted Stock Units	Service-Based Stock Appreciation Rights
Mr. Makatsaria received 35,139 service-based RSUs, vesting subject to his continued employment in equal or substantially equal amounts on each of the first three anniversaries of the grant date. The CHCM Committee determined the number of RSUs awarded by dividing the award value in RSUs (\$1,375,000) by the most recent closing price (\$39.13) of an ordinary share of the Company's stock on the Nasdaq as of the grant date and rounding down to the nearest whole unit.	Mr. Makatsaria received 76,927 SARs with a strike price of \$39.13 vesting subject to his continued employment in equal or substantially equal amounts on each of the first four anniversaries of the grant date. The CHCM Committee determined the number of SARs awarded to each participant by dividing the award value in SARs (\$1,375,000) by the Black-Scholes value of a SAR (\$17.874) based on the most recent closing price and rounding down to the nearest whole unit.

2025 Performance Based Awards

Relative Total Shareholder Return Performance Stock Units

Mr. Makatsaria received 35,139 PSUs subject to a rTSR market condition. The CHCM Committee determined the number of PSUs awarded to each participant by dividing the award value in rTSR PSU (\$1,375,000) by the most recent closing price (\$39.13) and rounding down to the nearest whole unit. At the end of 2027, subject to continued employment, the Company's TSR for the three-year period 2025 through 2027 will be compared to the TSR of the S&P Healthcare Equipment Select Constituents index, and the number of shares of the Company's stock actually delivered to Mr. Makatsaria will be determined by the following chart, with linear interpolation applied between specified levels:

TSR Performance Percentile Rank	Percentage Payout
≥90 th	200%
80 th	150%
50 th	100%
30 th	40%
<30 th	0%

Subject to continued employment, the following parameters will be used to determine rTSR for the three-year period ending 31 December 2027:

- Stock Price: 30 trading-day average closing prices as of the beginning and end of the performance period;
- Dividend Treatment: Dividend reinvestment approach (using ex-dividend date);
- Relative Performance Measurement:
 - Calculate cumulative TSR for LivaNova and each of the companies in the comparator group; and
 - Compute LivaNova's discrete percentile rank, which is inclusive of LivaNova's TSR (using Excel: *PERCENTRANK* function).

REMUNERATION REPORT
2025 Remuneration Report

Adjusted FCF Performance Stock Units

Mr. Makatsaria received 17,569 PSUs subject to achievement of a three-year cumulative adjusted FCF target and to his continued employment. The CHCM Committee determined the number of PSUs awarded to each participant by dividing the award value in adjusted FCF PSUs (\$687,500) by the closing price (\$39.13) and rounding down to the nearest whole unit. Subject to continued employment, the PSUs are scheduled to vest or lapse on 30 March 2028 based on how the Company’s adjusted FCF for the fiscal years 2025-2027 compares to target, and the number of shares of the Company’s stock actually delivered to the participants will be determined by the following chart, with linear interpolation applied between specified levels:

FCF Achievement Relative to FCF Target	Percentage Payout
≥150%	200%
125%	150%
100%	100%
60%	20%
<60%	0%

For purposes of the plan, adjusted FCF is defined as net cash provided by operating activities less cash used for the purchase of PP&E excluding the impact of 3T litigation settlement payments, Coronavirus Aid, Relief, and Economic Security Act tax stimulus benefits and gains related to dividends received from investments, as determined in accordance with the external definition provided in the LivaNova fourth-quarter and full year 2025 earnings update presentation posted on the Company’s website, and further adjusted as needed for other one-time, nonrecurring, unusual, or infrequent charges, expenses or gains, including associated expenses, that may not be indicative of the Company’s core business.

Given that adjusted FCF is a key measure of company value, the Board considers the actual target amounts to be too commercially sensitive for disclosure. The CHCM Committee plans to disclose the target amounts after the publication of the Company’s 2027 financial results.

ROIC Performance Stock Units

Mr. Makatsaria received 17,569 PSUs subject to achievement of a three-year cumulative adjusted ROIC target and to his continued employment. ROIC is defined as the ratio between Net Operating Profits and Invested Capital. The numerator shows core operating performance, and the denominator denotes the capital required to achieve that performance. Net Operating Profits is defined as the Company’s adjusted operating income less share-based compensation expense and is affected by LivaNova’s adjusted tax rate. Adjusted operating income and adjusted tax rate are non-GAAP measures, provided in conjunction with the issuance of the Company’s quarterly earnings press release. Invested Capital is defined as operating working capital plus other net operating assets. It excludes restricted cash, derivative assets and liabilities, long-term debt, and accrued legal settlements related to LivaNova’s 3T matter. The CHCM Committee determined the number of PSUs awarded to each participant by dividing the award value in ROIC PSUs (\$687,500) by the closing price (\$39.13) and rounding down to the nearest whole unit. Subject to continued employment, the PSUs are scheduled to vest or lapse on 30 March 2028 based on how the Company’s ROIC for the period 2025-2027 compares to target, and the number of shares of the Company’s stock actually delivered to the participants will be determined by the following chart, with linear interpolation applied between specified levels:

ROIC Achievement Relative to ROIC Target	Percentage Vesting of Award
Target ≥+ 250 bps	200%
Target + 125 bps	150%
Target	100%
Target - 125 bps	50%
Target ≤-250 bps	0%

Given that ROIC is a key measure of company value, the Board considers the actual target amounts to be too commercially sensitive for disclosure. The CHCM Committee plans to disclose the target amounts after the publication of the Company’s 2026 financial results.

Payments Made to Past Directors (Audited)

The Company did not make any payments to past directors in 2025.

Payments Made for Loss of Office (Audited)

The Company did not make any payments for loss of office in 2025.

Executive and NEDs' Shareholdings (Audited)

To align the interests of the Company's executive directors and NEDs to those of the Company's shareholders, the Company established Stock Ownership Guidelines detailing the minimum amount of equity expected to be held by certain individuals. Failure to maintain the minimum amount of equity ownership once attained may be a factor considered by the CHCM Committee in recommending and/or approving future awards. The directors believe that meaningful ownership of equity in the Company is an essential element in demonstrating the commitment of its leadership to its primary task of creating value for its shareholders. To further this belief, equity award programmes have been established as part of the overall compensation plans for both officers and directors. Until the relevant equity ownership threshold is achieved by each non-executive director and executive officer, such director or officer should not sell any of the net Ordinary Shares received (i.e., following tax withholding). Following achievement of the relevant equity ownership threshold, Ordinary Shares in excess of such amount may be sold, subject to the Company's Insider Trading Policy then in effect and the market value of equity ownership remaining above the threshold.

Shareholding Requirements

Level	Stock Ownership Threshold
Executive Director (CEO)	5 x annual base salary
NEDs	5 x annual Board cash retainer

The definition of the "qualifying equity ownership" - used for purposes of satisfying the Company's stock ownership requirements - comprises ordinary shares owned by the individual or held jointly with the individual's spouse or children, and unvested service-based restricted stock units owned by the individual, in each case valued at the closing price of an ordinary share of the Company's stock on the Nasdaq on the measurement date.

Stock Ownership Thresholds are determined by using the most current base salary or annual cash retainer for the covered individual, as applicable, and the closing price of an ordinary share of the Company's stock on the Nasdaq on the relevant measurement date. If there is no closing price on the date in question, Stock Ownership Thresholds will be determined by using the most recent closing price. Share Ownership Thresholds are updated annually on 1 July or when a change in base salary or annual cash retainer occurs, with compliance generally measured on 1 July of each year. Once a director or officer has satisfied their Stock Ownership Threshold as of a measurement date, the Stock Ownership Threshold will continue to be deemed satisfied for such director or officer, regardless of market fluctuations, as long as the director or officer does not sell or transfer any ordinary shares: (i) where the sale or transfer causes the value of his or her holdings to be less than the Stock Ownership Threshold, or (ii) at a time when the value of his or her holdings is less than the Stock Ownership Threshold.

Furthermore, it is expected that any proposed sale of ordinary shares by a director or officer subject to the Stock Ownership Thresholds be assessed for compliance herewith at the time of such proposed sale. In its discretion, at the time of any such proposed sale, the Company may determine to recalculate the applicable Stock Ownership Threshold.

As of 1 July 2025, based on a stock price of \$45.75, all directors with the exception of Mr. Makatsaria and Ms. Podlogar had achieved the Stock Ownership Threshold. Mr. Zurbay, who joined the Board on 4 September 2025, will be subject to the Stock Ownership Threshold and the related compliance will be measured on 1 July 2026.

Statement of Directors' Shareholdings and Scheme Interests

Name	Ordinary Shares Underlying Scheme Interests Held as of 31 December 2025						Stock Options exercised in the year ended 31 December 2025
	Ordinary Shares Held as of 31 December 2025	Unvested RSUs Held as of 31 December 2025	Unvested PSUs Held as of 31 December 2025	Unvested SARs Held as of 31 December 2025	Vested but Unexercised SARs/Stock Options Held as of 31 December 2025	Total as of 31 December 2025	
Vladimir Makatsaria ⁽¹⁾	4,284	63,125	236,188	138,109	20,395	457,817	—
William Kozy	32,567	5,681	—	—	—	5,681	—
Francesco Bianchi	9,028	4,042	—	—	—	4,042	—
Stacy Enxing Seng	11,751	4,042	—	—	—	4,042	—
Dr. Sharon O'Kane	11,304	4,042	—	—	—	4,042	—
Todd Schermerhorn	9,063	4,042	—	—	—	4,042	—
Peter Wilver	6,738	4,042	—	—	—	4,042	—
Brooke Story	6,232	4,042	—	—	—	4,042	—
Chris Barry	4,362	4,042	—	—	—	4,042	—
Susan Podlogar	2,086	4,042	—	—	—	4,042	—
Donald Zurbay	—	2,560	—	—	—	2,560	—

⁽¹⁾ All RSUs held as of 31 December 2025 are service-based awards, which were unvested as of 31 December 2025. The 236,188 PSUs represent the maximum number of PSUs. The target number of PSUs is 118,094.

REMUNERATION REPORT 2025 Remuneration Report

Relative Importance of Spend on Pay

The following table sets out the total amounts spent in the year ended 31 December 2025 and the year ended 31 December 2024 on remuneration paid to employees and distributions (comprised of share buybacks and dividends) to shareholders:

\$ thousands	Year Ended 31 December 2025	Year Ended 31 December 2024	% change
Employee remuneration	\$326,876	\$321,671	2%
Share buybacks	—	—	N/A
Dividend	—	—	—%

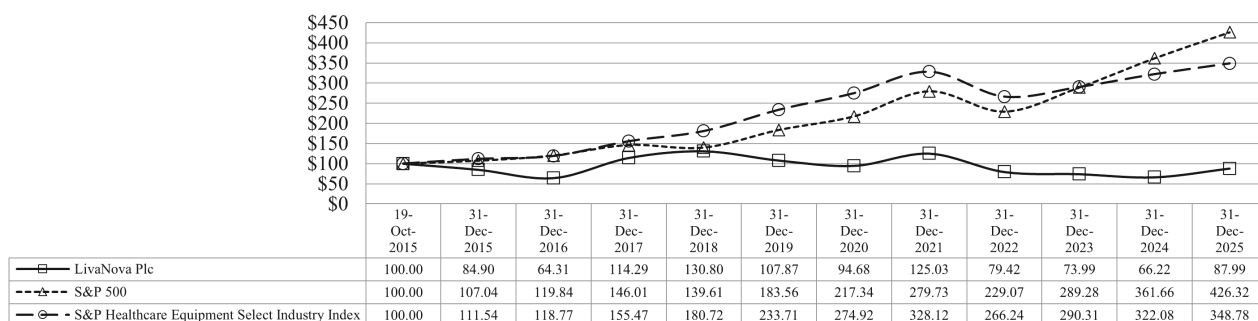
Total Shareholder Return

Performance Graph

The graph below shows the Company's performance measured through TSR on a holding of \$100 in the Company's shares over the ten financial years ending 31 December 2025, compared to the S&P 500 Index and the S&P Healthcare Equipment Index. LivaNova selected these indices as it felt they provided both a broader market benchmark together with a more proximate industry benchmark:

COMPARISON OF 10 YEAR CUMULATIVE TOTAL RETURN*

Among LivaNova Plc, the S&P 500 Index, and the S&P 500 Health Care Equipment Index



*\$100 invested on 19 October 2015 in stock or 30 September 2015 in index, including reinvestment of dividends. Fiscal year ending 31 December.

CEO Total Compensation

	Year Ended 31 December 2025	Year Ended 31 December 2024	Year Ended 31 December 2023 ⁽³⁾	Year Ended 31 December 2022	Year Ended 31 December 2021	Year Ended 31 December 2020	Year Ended 31 December 2019	Year Ended 31 December 2018	Year Ended 31 December 2017	Year Ended 31 December 2016 ⁽⁴⁾		
Incumbent	Mr. Makatsaria	Mr. Kozy	Mr. McDonald				Mr. Ballester					
Total Single-Figure Remuneration (thousands \$)	5,119	6,577	387	3,009	(6,715)	6,904	9,627	4,594	4,077	9,499	4,065	1,968
Annual Bonus Award (as a % of Maximum) ⁽¹⁾	65%	69%	69%	76%	—	57%	89%	—	16%	66%	57%	53%
Vesting of Long-Term Performance Awards (as a % of Maximum) ⁽²⁾	—	—	—	—	—	52%	8%	14%	—	100%	—	25%

⁽¹⁾ In 2016, Mr. Ballester received a payout of 80% which represented 53% of the maximum payable (which was set at 150% of his bonus opportunity). In 2017, Mr. McDonald received a payout of 100.1% which represented 57% of the maximum payable (which was set at 175% of his bonus opportunity). In 2018, Mr. McDonald received a payout of 105% which represented 66% of the maximum payable (which was set at 160% of his bonus opportunity). In 2019, he received a payout of 25%, which represented 16% of the maximum payable (which was set at 160% of his bonus opportunity). In 2020, Mr. McDonald did not receive a bonus payout. In 2021, Mr. McDonald received a payout of 142.7%, which represented 89% of the maximum payable (which was set at 160% of his bonus opportunity). In 2022, Mr. McDonald received a payout of 91.4%, which represented 57% of the maximum payable (which was set at 160% of his bonus opportunity). In 2023, Mr. McDonald was not eligible for a bonus payout. The 2023 percentage represents the payout received by Mr. Kozy, who received a payout of 137.5% of his bonus at target, representing 76% of the maximum payable (which was set at 181.8% of his bonus opportunity). The 2024 percentage represents the payout received by Mr. Kozy and Mr. Makatsaria, who each received a payout of 125.4% of their bonus at target, representing 69% of the maximum payable, which was set at 181.8% of their respective bonus opportunities. The 2025 percentage represents the payout received by Mr. Makatsaria, who received a payout of 122.4% of his bonus at target, representing 65% of the maximum payable, which was set at 187.5% of his bonus opportunity.

⁽²⁾ 13,353 performance-based RSUs vested during the financial year ended 31 December 2018, which represents 100% of the maximum opportunity for vesting

REMUNERATION REPORT

2025 Remuneration Report

in the 2018 financial year. No performance awards vested in 2019. No performance awards vested in 2020. In 2021, 7,275 FCF PSUs vested. The achievement percentage for the FCF PSUs was 78.58% which is a payout percentage of 57.16% related to performance in 2020. No rTSR PSUs vested, which, together with the FCF PSUs, represented 14% of the maximum payable (which was set at 400%). In 2022, 5,167 FCF PSUs vested - the achievement percentage for the FCF PSUs was 66.8% which is a payout percentage of 33.5% related to performance in 2021. No rTSR PSUs vested, which, together with the FCF PSUs, represented 8% of the maximum payable (which was set at 400%). In 2022, 25,131 rTSR PSUs (73% of the target) and 10,569 FCF PSUs (30.7% of the target) vested, together being 52% of the target PSUs. In 2023, Mr. McDonald did not receive any PSU payout as he forfeited his unvested equity award as a result of his resignation. Mr. Kozy's equity award was only service-based. Mr. Makatsaria's PSUs granted in 2024 and 2025 will vest based on performance during the three-year period 2024-2026 (ending 31 December 2026) and 2025-2027 (ending 31 December 2027), respectively.

(3) The single figure for the year ended 31 December 2023 is negative (\$6,715 thousand), reflecting the inclusion of \$10,372 thousand relating to awards that were previously reported in the single figure table as service-based awards, or as performance-based awards subject to additional service conditions, which were forfeited by Mr. McDonald following his resignation.

(4) The figures relating to the CEO's total compensation for the year ended 31 December 2016, and for the period 19 October 2015 to 31 December 2015, reflect the compensation paid to former CEO, Andre-Michel Ballester, who resigned effective 31 December 2016.

As LivaNova has fewer than 250 UK employees, it is exempt from disclosing CEO pay ratio.

2026 Salary and STIP

Mr. Makatsaria

The following table provides the details of base salary and bonus for Mr. Makatsaria in 2026. Mr. Makatsaria received an increase of 3.6% of his base salary from \$965,000 to \$1,000,000 effective 22 March 2026. His 2026 target bonus is calculated on the basis of the weighted average base salary during the year:

	2026 Annual Base Salary (weighted avg.) (\$)	2026 STIP at Target (% base salary)	2026 STIP at Target (\$)
Mr. Makatsaria	992,329	110%	1,091,562

Payment of the target bonus amount will be subject to the achievement of certain financial and non-financial objectives, as described below:

$$\text{Bonus Payout} = \text{Target Bonus} \times \text{Business Performance Factor}$$

In alignment with the compensation philosophy and competitive benchmark, upon recommendation of the CHCM Committee's independent compensation consultant, Pearl Meyer, the formula for calculating the Business Performance Factor has changed for 2026. Whilst, in 2025, the Business Performance Factor was determined by reference to Net Sales (weighted as to 50%) and Adjusted Operating Income (weighted as to 50%), with a Non-Financial Goals Modifier then applied to adjust the result up or down by up to 25%, in 2026, the Business Performance Factor will be determined by reference to a Financial Component (weighted as to 75%) and a Non-Financial Component (weighted as to 25%), with the Financial Component determined by reference to Net Sales (weighted as to 50% of that component), Adjusted Operating Income (weighted as to 30% of that component), and Adjusted FCF (weighted as to 20% of that component), as follows:

$$\text{Business Performance Factor} = 75\% \text{ Financial Component} + 25\% \text{ Non-Financial Component}$$

with the Financial Component being calculated according to the below formula:

$$\text{Financial Component} = 50\% \text{ Net Sales Payout \%} + 30\% \text{ Adjusted Operating Income Payout \%} + 20\% \text{ Adjusted FCF Payout \%}$$

If the threshold for a financial objective is achieved, funding for that objective is scaled down or up for underachievement or overachievement, respectively, of the objective, as follows:

Achievement %	Payout %
<95%	0%
95%	50%
Linear Interpolation	

Achievement %	Payout %
<90%	0%
90%	50%
Linear Interpolation	

Achievement %	Payout %
<90%	0%
90%	50%
Linear Interpolation	

REMUNERATION REPORT
2025 Remuneration Report

100%	100%
Linear Interpolation	
≥110%	200%

100%	100%
Linear Interpolation	
≥120%	200%

100%	100%
Linear Interpolation	
≥120%	200%

“Net Sales” is defined as the Company’s net sales for 2026 at constant currency exchange rates, excluding net sales from any acquisitions, divestitures, restructuring, and other strategic transactions in 2026. “Adjusted Operating Income” and “Adjusted Free Cash Flow” are respectively defined as the Company’s non-GAAP operating income and FCF at actual currency exchange rates, after adjustments for the effects of acquisitions, divestitures, restructuring, integration, product remediation, purchase price allocation and intangible amortisation, significant litigation, equity compensation, significant non-cash adjustments, and other infrequent, unusual, or nonrecurring items not incurred in the ordinary course of business (noting that, in 2025, operating income was determined using constant currency rates – this change in approach for 2026 is to align with reported earnings and shareholder experience).

The LivaNova Non-Financial Component will be determined by reference to strategic milestones that are aligned with the strategic imperatives of the Company for 2026. The CHCM Committee will determine the extent to which the Non-Financial Goal Component is met within a range of 0% to 200% based on its evaluation of performance against a set of pre-determined non-financial goals.

Once the level of achievement for the Non-Financial Component has been determined, funding for that component is scaled down or up for underachievement or overachievement, respectively, as follows:

Non-Financial Component	
Achievement %	Payout %
0%	0%
Linear Interpolation	
100%	100%
Linear Interpolation	
≥200%	200%

The CHCM Committee considers both quantitative and qualitative results and applies discretion when evaluating performance and determining the payout factor. The CHCM Committee reserves the right to adjust an individual’s bonus based on an overall assessment of their performance and contributions during the plan year.

Any payout under the 2026 STIP is conditioned on continued employment at the payment date.

Given that Net Sales, Adjusted Operating Income, and Adjusted FCF are key measures of company value, the Board considers the actual target amounts to be too commercially sensitive for disclosure. The Board also considers the non-financial goals to be too commercially sensitive for disclosure. Accordingly, the CHCM Committee will disclose these after the publication of the Company’s 2026 financial results.

The table below shows the minimum and maximum achievement of the target payout under the 2026 STIP, subject to continued employment:

	Minimum	Maximum
Vladimir Makatsaria	0%	200%

2026 LTIP

Mr. Makatsaria

On 11 February 2026, the CHCM Committee approved the Company’s equity award grant under the 2026 LTIP for Mr. Makatsaria. Pursuant to the 2026 LTIP, on 23 March 2026, the CHCM Committee approved a total equity award in the amount of \$6,400,000 comprising four different award vehicles for Mr. Makatsaria, with an effective date of 30 March 2026. To align with market practices and LivaNova’s strategic roadmap, the CHCM Committee made some notable changes to the award vehicles used for the 2026 LTIP as compared to the 2025 LTIP.

Consistent with 2025 LTIP, 50% of Mr. Makatsaria’s 2026 LTIP award was delivered in the form of service-based awards. Under the 2025 LTIP, Mr. Makatsaria received 25% of his award in the form of SARs subject to a four-year vesting schedule and under the 2026 LTIP these were replaced with an additional 25% of RSUs subject to a three-year vesting schedule consistent with the 2025 LTIP RSUs.

Also consistent with the 2025 LTIP, 50% of Mr. Makatsaria’s 2026 LTIP award was delivered in the form of performance-based awards, all with three-year cliff vesting. Under the 2026 LTIP, the weighting and type of internal financial metrics and the

REMUNERATION REPORT
2025 Remuneration Report

weighting of market-based metrics were modified such that Mr. Makatsaria received a 2026 LTIP award of rTSR PSUs, Adjusted EPS PSUs, and Revenue Growth PSUs (each weighted as to one-third of the performance-based awards), rather than, in 2025, rTSR PSUs (weighted as to one-half of the performance-based awards), FCF PSUs (weighted as to one-quarter of the performance-based awards), and ROIC PSUs (weighted as to one-quarter of the performance-based awards). Adjusted Free Cash Flow remains a relevant financial metric by being included in the determination of the financial component of the Business Performance Factor used to determine Mr. Makatsaria’s STIP instead (see “2026 Salary and STIP” section above).

The 2026 LTIP awards are described in more detail below:

	RSUs (\$)	rTSR PSUs (\$)	Adjusted EPS PSUs (\$)	Revenue Growth PSUs (\$)
2026 LTIP	3,200,000	1,066,667	1,066,667	1,066,667

2026 LTIP Service-Based Awards

RSUs

Mr. Makatsaria received an award of service-based RSUs in the amount of \$3,200,000, vesting subject to continued employment, in equal or substantially equal amounts on each of the first three anniversaries of the grant date. The CHCM Committee determined the number of RSUs awarded by dividing the award value by the closing price of an ordinary share of the Company’s stock on the Nasdaq as of the grant date and rounding down to the nearest whole unit.

2026 LTIP Performance-Based Awards

rTSR PSUs

Mr. Makatsaria received an award of PSUs in the amount of \$1,066,667, subject to a three-year rTSR market condition and continued employment. These rTSR PSUs are subject to a three-year cliff vesting period. At the end of 2028, the Company’s TSR for the three-year period 2026 through 2028 will be compared to the TSR of the S&P Healthcare Equipment Select Constituents index, and the number of shares of the Company’s stock actually delivered to Mr. Makatsaria will be determined by the following chart, with linear interpolation applied between specified levels:

TSR Performance Percentile Rank	Percentage Funding for Objective
≥90 th	200%
80 th	150%
50 th	100%
30 th	40%
<30 th	0%

Adjusted EPS PSUs

Mr. Makatsaria received an award of PSUs in the amount of \$1,066,667 subject to achievement of a three-year cumulative Adjusted EPS and continued employment. These Adjusted EPS PSUs are subject to a three-year cliff vesting period. At the end of 2028, cumulative Adjusted EPS for the three-year period 2026 through 2028 will be compared to the Adjusted EPS Target, and the number of shares of the Company’s stock actually delivered to Mr. Makatsaria will be determined by the following chart, with linear interpolation applied between specified levels:

Adjusted EPS Achievement Relative to Adjusted EPS Target	Percentage Funding for Objective
≥150%	200%
125%	150%
100%	100%
60%	20%
<60%	0%

Adjusted EPS is LivaNova adjusted diluted EPS, as reported in the Company’s earnings press releases, further adjusted to exclude Difficult-to-Treat Depression impact. Adjusted EPS may be further adjusted as needed for other one-time, nonrecurring, unusual, or infrequent charges, expenses or gains, including associated expenses, or extraordinary tax legislation changes, that may not be indicative of the Company’s core business. In the event there are items that differ from the Company’s non-GAAP reported results, management will seek approval from the Committee of such potential adjustments after such adjustment is identified. The Board considers the actual target amount to be too commercially sensitive for disclosure and will disclose it after the publication of the Company’s 2028 financial results.

Revenue Growth Capital PSUs

Mr. Makatsaria received an award of PSUs in the amount of \$1,066,667, subject to achievement of a three-year average minimum threshold Revenue Growth Target and continued employment. At the end of 2028, the average Revenue Growth for the three-year period 2026 through 2028 will be compared to the Revenue Growth Target, and the number of shares of the Company’s stock actually delivered to Mr. Makatsaria will be determined by the following chart, with linear interpolation applied between specified levels:

Revenue Growth Achievement Relative to Revenue Growth Target	Percentage Funding for Objective
≥150%	200%
125%	150%
100%	100%
60%	20%
<60%	0%

Revenue consists of total revenues excluding the effects of currency exchange rates, revenues from current-period acquisitions, and product divestitures and discontinuances. Revenue growth is the increase in revenue compared to the prior year’s organic revenue. For purposes of this award, target and actual will exclude Difficult-to-Treat Depression revenue.

Average Revenue Growth may be adjusted for one-time, non-recurring, unusual, or infrequent events. In the event there are items that differ from the Company’s reported results, such adjustments will require management to seek approval from the Committee after such adjustments are identified.

The Board considers the actual target amounts to be too commercially sensitive for disclosure. The CHCM Committee plans to disclose the target amounts after the publication of the Company’s 2028 financial results.

2026 Service-Based Share Awards and Committee Fees for NEDs

Based on benchmarking data and upon the advice of its independent compensation consultant, Pearl Meyer, the CHCM Committee recommended that the Board adjust the compensation for NEDs to better align with market practices.

In February 2026, the Board approved these changes, effective as of the Company’s 2026 AGM. Specifically, the Board determined that it was in the best interests of shareholders to increase the equity retainer for all non-Chair directors from \$185,000 to \$190,000; reduce the equity retainer for the Chair of the Board from \$260,000 to \$190,000; and, with respect to the Chair of the Board, eliminate the equity premium in favour of a cash premium by increasing the Board retainer from \$145,000 to \$160,000. Directors other than the Chair of the Board will continue to receive an annual Board retainer of \$70,000, as approved at the 2025 AGM. No other changes have been made to director compensation for 2026.

Role of the CHCM Committee and Members

The Chair of the CHCM Committee is Stacy Enxing Seng, and the other members of the CHCM Committee are Francesco Bianchi, Susan Podlogar, and Peter Wilver, all of whom are NEDs that the Company considers to be independent. Ms. Enxing Seng joined the CHCM Committee in 2019 and became Chair in 2021. Mr. Bianchi has served on the CHCM Committee since 2015. Mr. Wilver has served on the CHCM Committee upon joining the board in 2022. Ms. Podlogar has served on the CHCM Committee upon joining the board in 2024. The CHCM Committee’s charter is available on the Company’s website.

The CHCM Committee has authority: (i) to determine and approve the corporate goals and objectives applicable to the compensation of the Company’s incumbent CEO, (ii) to evaluate the incumbent CEO’s performance annually in light of such goals and objectives, and (iii) to determine and approve the incumbent CEO’s compensation level based on this evaluation. The incumbent CEO is not present during discussions about their own compensation. The CHCM Committee has authority to determine and approve the compensation of all other executive officers. The CHCM Committee is also entrusted with reviewing and approving incentive plans and equity-based plans that apply on a broader basis, including for the incumbent CEO and other executive officers.

Role of the Independent Compensation Consultant

The CHCM Committee has the sole authority to retain (and terminate the retainer of) a compensation consultant to assist with its responsibilities, as well as the sole authority to approve the consultant’s fees, which the Company will then pay. For 2025, the CHCM Committee directly engaged an independent compensation consultant, Pearl Meyer, to advise on competitive pay practices, recommend a peer group for compensation purposes, provide market data, assist the CHCM Committee in the analysis of that data, and attend all regular meetings of the CHCM Committee.

During 2025, Pearl Meyer did not perform any services for the Company or any of its executive officers or other employees. Based on these factors, along with independence information provided by Pearl Meyer and the CHCM Committee’s evaluation of

REMUNERATION REPORT
2025 Remuneration Report

Pearl Meyer’s independence pursuant to the requirements approved and adopted by the SEC and Nasdaq, the CHCM Committee determined that the work performed by Pearl Meyer did not create any conflicts of interest.

The Company paid Pearl Meyer a total of \$149,035 for the services indicated above for 2025, computed on the basis of Pearl Meyer’s hourly rates for services rendered, multiplied by the number of hours required to generate the reports and including administrative service fees.

Service Contracts

LivaNova’s NEDs do not have service contracts; they are elected for a one-year term. The Company’s CEO, Mr. Makatsaria, is employed by LivaNova USA Inc., a wholly owned subsidiary of the Company, under an employment letter effective 1 March 2024.

Statement of Voting at Prior Annual General Meetings

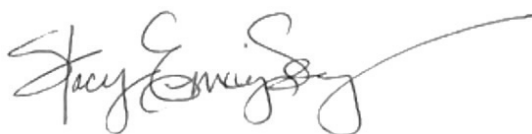
At the 2025 AGM held on 11 June 2025, votes on the advisory vote to approve the Remuneration Report were as follows:

To approve, on an advisory basis, the UK Directors’ Remuneration Report in the form set out in the Company’s Annual Report and Accounts for the period ended 31 Dec 2024			
Votes	For	Against	Abstentions
	43,359,077	1,145,557	19,689
Percentages %	97.39	2.57	0.04

The Remuneration Policy was last approved by shareholders at the 2025 AGM held on 11 June 2025. The results are below, and the approved policy is available on the Investor Relations page of the Company’s website at <https://investor.livanova.com/annual-reports>:

To approve the Directors’ Remuneration Policy			
Votes	For	Against	Abstentions
	43,907,870	597,270	19,183
Percentages %	98.62	1.34	0.04

This Remuneration Report was approved by the Board.



Stacy Enxing Seng
Chair of the Compensation and Human Capital Management Committee
27 April 2026

Independent auditors' report to the members of LivaNova PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- LivaNova PLC's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the 2025 UK Annual Report (the "Annual Report"), which comprise:

- the Consolidated Balance Sheet as at 31 December 2025;
- the Parent Company Balance Sheet as at 31 December 2025;
- the Consolidated Statement of Income (Loss) for the year then ended;
- the Consolidated Statement of Comprehensive Income (Loss) for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Parent Company Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Context

The Group operates in two primary operating segments through a legal entity structure with distribution to over 100 countries, which are managed as a number of components. Our audit focuses on five components, over which we performed either a full scope audit or audit procedures on certain balances or transactions.

Overview

Audit scope

- The components where we conducted audit procedures, together with work performed at corporate functions and over consolidation adjustments, accounted for approximately 65% of the Group's net revenue and 82% of the Group's total assets.

Key audit matters

- Recoverability of goodwill relating to the Obstructive Sleep Apnoea ("OSA") cash generating unit ("CGU") (Group)
- Recoverability of the carrying value of investments in subsidiaries (Parent Company)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIVANOVA PLC

Materiality

- Overall Group materiality: \$10.5 million (2024: \$9.5 million) based on 0.75% of total net revenue.
- Overall Parent Company materiality: \$36.0 million (2024: \$34.0 million) based on 1% of total assets.
- Performance materiality: \$7.9 million (2024: \$7.1 million) (Group) and \$27.0 million (2024: \$25.5 million) (Parent Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><i>Recoverability of goodwill relating to the Obstructive Sleep Apnoea ("OSA") cash generating unit ("CGU") (Group)</i></p> <p><i>Refer to Notes 2 and 17 in the Group financial statements</i></p> <p>At 31 December 2025, the Group had goodwill of \$465.2 million (2024: \$448.1 million).</p> <p>Goodwill must be tested for impairment on at least an annual basis. Goodwill is also tested for impairment between annual assessments if an event occurs or circumstances change that would indicate the carrying amount may be impaired. An impairment charge is recognised when the carrying value of the CGU exceeds its recoverable amount, the recoverable amount being the higher of fair value less cost of disposal or value in use where the net present value of future cash flows are estimated based on the continued use of the asset in the business. There is significant estimation uncertainty in calculating the recoverable amount of CGUs, including management's view of future cash flow forecasts, external market conditions, such as future pricing and profitability, timing and probability of regulatory success, and the most appropriate discount rate. Given the level of headroom, in respect of the OSA CGU (goodwill of \$82.6 million), this represented an area requiring greater allocation of resources and audit effort, and on this basis is considered a key audit matter.</p>	<p>For the OSA CGU our audit procedures included evaluating and challenging the completeness and accuracy of the impairment model, and assessing the reasonableness of the assumptions used. Specifically, this included:</p> <ul style="list-style-type: none"> • understanding management's process for forecasting cash flows and the basis upon which they were prepared; • comparing the future cash flow forecasts used in the impairment model to the latest Board approved forecasts; • assessing historical forecast accuracy by comparing year-on-year forecasts, and current year forecasts to actual results; • considering industry and macroeconomic factors; • testing the mathematical integrity of management's impairment models; • evaluating and independently reperforming management's sensitivity analysis to understand the impact of reasonably possible changes in significant assumptions; and • performing break even analysis to determine whether the scenario was plausible. <p>The significant assumptions utilised in the impairment assessments, we considered to be the short-term revenue growth rate and discount rate. Our work specific to the short-term revenue growth rate included:</p> <ul style="list-style-type: none"> • assessing the reasonableness of the Group's expected market share of OSA; and • benchmarking the short-term revenue growth rate to competitor data. <p>Specific to the discount rate we engaged with our internal valuation specialists to assess the reasonableness of the assumption.</p> <p>Management concluded that it was appropriate not to recognise any impairment charges on the basis that the recoverable amount of the goodwill of the OSA CGU is higher than its current carrying value. Based on our procedures, we agree with this conclusion.</p> <p>We have also assessed management's disclosures within the Group financial statements in Notes 2 and 17 and consider them to be appropriate. We noted no material exceptions through performing our procedures.</p>

<p><i>Recoverability of the carrying value of investments in subsidiaries (Parent Company)</i></p> <p><i>Refer to Notes 1 and 2 in the Parent Company financial statements.</i></p> <p>Investments in subsidiaries of \$2,201 million (2024: \$2,114 million) are accounted for at cost less impairment in the Parent Company's Balance Sheet at 31 December 2025.</p> <p>Investments in subsidiaries are assessed for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the investments in subsidiaries are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss would be recognised as a charge in the Parent Company Income Statement and disclosed in Note 2.</p> <p>Management assessed each investment individually for impairment indicators. An impairment indicator exists where the carrying value of an investment exceeds the subsidiary's net assets. Where an indicator was identified, management determined whether the carrying value of the investment could be supported by the recoverable amount, being the higher of fair value less cost of disposal, or value in use where the net present value of future cash flows are estimated based on the continued use of the asset in the business.</p> <p>The assessment utilised the discounted cash flow analyses developed as part of the Group goodwill impairment assessment to assess the recoverability of certain investments. The significant assumption included in those estimates was the discount rate. As the determination of the recoverable amount requires the application of significant judgement and estimation, particularly in determining the significant assumptions to be applied in preparing cash flow projections, this represented an area requiring greater allocation of resources and extent of audit effort.</p>	<p>For each investment in subsidiary, we evaluated management's assessment of whether any indicators of impairment existed. Where an investment's carrying value was greater than the net assets of the subsidiary, which was determined to be an impairment indicator, we audited the detailed assessment prepared by management to support the carrying value of the investment held.</p> <p>Our work with respect to investments in subsidiaries included:</p> <ul style="list-style-type: none"> • understanding management's process and controls when preparing the impairment assessment; • testing the mechanics and mathematical integrity of management's impairment models; • testing management's method to determine the fair values of each investment in subsidiary where an impairment indicator was identified; • leveraging the work performed for goodwill impairment testing purposes, which included considering the appropriateness of the discount rate (the only significant assumption), the cash flows including historical forecasting accuracy, management's methodology and the mathematical integrity of the model; and • testing the appropriateness of sensitivities performed by management. <p>Management concluded that it was appropriate not to recognise any impairment charges on the basis that the value attributed to each investment within management's model exceeds the current carrying values of the investments in subsidiaries held by the Parent Company. Based on our procedures, we agree with this conclusion.</p> <p>We have also assessed management's disclosures within the Parent Company financial statements in Notes 1 and 2 and consider them to be appropriate. We noted no material exceptions through performing our procedures.</p>
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How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which they operate.

We conducted a full scope audit at two significant components: the US and Italy. In addition, in order to achieve the appropriate coverage, we performed audit and/or specified procedures over key financial statement line items at two other components, including inventory, cost of sales, cash and cash equivalents and selling, general and administrative expenses. In addition, audit procedures were performed at a Group level in relation to various Group functions, including goodwill and certain other intangible assets, provisions, taxation (including deferred taxation), derivative financial instruments, financial liabilities, shareholders' equity, litigation matters, finance income, finance expenses and consolidation.

Our oversight procedures included the issuance of formal written instructions to component auditors setting out the work to be performed at each location and regular communication throughout the audit cycle including regular component video conferences and calls, site visits in Italy and the US, site visits in the UK by the US team and further audit procedures on some non-significant components.

The components where we conducted audit procedures, together with work performed at corporate functions and over consolidation adjustments, accounted for 65% of the Group's net revenue and 82% of the Group's total assets.

The Parent Company is incorporated in the UK, with a branch in Italy. We ensured that sufficient coverage was obtained through our testing of the UK entity and Italian branch. Certain balances were in scope for the Group audit, including cash and cash equivalents, derivative financial instruments, provisions, financial liabilities and taxation (including deferred taxation), which were audited at a Group level to Group materiality. The remainder of the balances were audited to Parent Company materiality without involvement from any component teams.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's and Parent Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Group's and Parent Company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIVANOVA PLC

individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements - Parent Company
<i>Overall materiality</i>	\$10.5 million (2024: \$9.5 million).	\$36.0 million (2024: \$34.0 million).
<i>How we determined it</i>	0.75% of total net revenue	1% of total assets
<i>Rationale for benchmark applied</i>	Although the Group has incurred statutory losses over the past five years, it has returned to profit in the current year. Since no dividends have been planned or paid since the merger date (19 October 2015), and with adjusted net revenue remaining the most heavily weighted metric in determining directors' remuneration, we consider total net revenue to remain the appropriate benchmark.	As the Parent Company's principal activity is to hold investments in subsidiaries, the Parent Company is not profit oriented. Therefore, total assets are used as the benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between \$7.0 million and \$9.5 million.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to \$7.9 million (2024: \$7.1 million) for the Group financial statements and \$27.0 million (2024: \$25.5 million) for the Parent Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above \$1 million (Group audit) (2024: \$0.9 million) and \$3.6 million (Parent Company audit) (2024: \$3.4 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Agreeing the underlying cash flow projections to the Board approved forecasts, assessing how these forecasts are compiled, and evaluating the accuracy of the Board approved forecasts;
- Evaluating the key assumptions within the Board approved forecasts;
- Considering liquidity and available financial resources;
- Considering the impact of plausible downside scenarios and performing a breakeven assessment for forecast revenue, in order to assess the extent of headroom in comparison to the principal risks facing the business; and
- Reviewing the covenants applicable to the Group and Parent Company's borrowings and assessing whether the forecasts supported ongoing compliance with the covenants.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Parent Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to product safety (including, but not limited to, environmental laws and regulations, the US Food and Drug Administration regulation and the EU Medical Devices Regulation), data protection legislation, antibribery and competition law (including, but not limited to, the US Foreign Corrupt Practices Act, the UK Proceeds of Crime Act and Economic Crime and Corporate Transparency Act), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Discussions with management, legal counsel and internal audit, including inquiry regarding known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by internal audit;
- Reviewing relevant meeting minutes, including those of the Board of Directors and the Audit and Compliance Committee;
- Challenging assumptions made by management in its significant accounting estimates;
- Identifying and testing the validity of journal entries, in particular any journal entries posted with unusual account combinations, with unusual words, or by unusual users, and large value journals; and
- Assessment of matters reported on the Group's whistleblowing helpline and the results of the directors' investigation of such matters

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Parent Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Parent Company financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Catherine Schroeder (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 April 2026

LIVANOVA PLC AND SUBSIDIARIES

Table of Contents

Consolidated Statement of Income (Loss)	75
Consolidated Statement of Comprehensive Income (Loss)	76
Consolidated Balance Sheet	77
Consolidated Statement of Changes in Equity	79
Consolidated Statement of Cash Flows	80
Notes to the Consolidated Financial Statements:	81
Note 1. Nature of Operations	81
Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies	81
Note 3. Revenue Recognition	92
Note 4. Segment and Geographic Information	93
Note 5. Operating Income by Nature	95
Note 6. Finance Expense	95
Note 7. Finance Income	96
Note 8. Restructuring	96
Note 9. Employee Compensation Costs	96
Note 10. Taxation	97
Note 11. Fair Value Measurements	99
Note 12. Derivative Financial Instruments	102
Note 13. Financial Instruments	104
Note 14. Financial Assets	105
Note 15. Financial Liabilities	105
Note 16. Property, Plant, and Equipment	108
Note 17. Goodwill and Intangible Assets	109
Note 18. Leases	111
Note 19. Inventories	111
Note 20. Trade Receivables and Other Receivables	112
Note 21. Other Liabilities	112
Note 22. Provisions	113
Note 23. Shareholders' Equity	114
Note 24. Restatement of Previously Issued Financial Statements	115
Note 25. Financial Risk Management	116
Note 26. Commitments and Contingencies	118
Note 27. Related Parties	121
Note 28. Share-Based Plans	121
Note 29. Employee Retirement Plans	124
Note 30. EPS	128
Note 31. Auditors' Remuneration	128
Note 32. New Accounting Pronouncements	128
Note 33. Subsequent Events	129

LIVANOVA PLC AND SUBSIDIARIES

Consolidated Statement of Income (Loss)

(In thousands, except per share amounts)

	Note	2025	2024 Restated ⁽¹⁾
Net revenue	4	\$ 1,388,053	\$ 1,253,437
Costs and expenses:			
Cost of sales	5	447,593	399,451
Selling, general, and administrative	5	554,178	506,818
Research and development		186,015	182,919
Other operating expense		10,815	26,643
Operating income		189,452	137,606
SNIA environmental liability expense	22, 26	(6,740)	(344,403)
Finance expense	6	(96,885)	(123,592)
Finance income	7	40,415	80,114
Share of loss from equity accounted investments		(51)	(18)
Income (loss) before income tax		126,191	(250,293)
Income tax expense	10	(17,171)	(23,121)
Income (loss) attributable to shareholders of the Group		\$ 109,020	\$ (273,414)
Basic income (loss) per share	30	\$ 2.00	\$ (5.04)
Diluted income (loss) per share	30	\$ 1.98	\$ (5.04)
Shares used in computing basic income (loss) per share	30	54,548	54,240
Shares used in computing diluted income (loss) per share	30	55,005	54,240

⁽¹⁾ The consolidated statement of income (loss) for the year ended 31 December 2024 has been restated. For further details, refer to “Note 24. Restatement of Previously Issued Financial Statements.”

See accompanying notes to the consolidated financial statements.

LIVANOVA PLC AND SUBSIDIARIES
Consolidated Statement of Comprehensive Income (Loss)
(In thousands)

	Note	2025	2024
Income (loss) attributable to shareholders of the Group		\$ 109,020	\$ (273,414)
Items of other comprehensive income (loss) that will be subsequently reclassified to profit or loss:			
Foreign currency translation differences	23	47,257	(29,949)
Total items of other comprehensive income (loss) that will be subsequently reclassified to profit or loss		47,257	(29,949)
Items of other comprehensive (loss) income that will not be subsequently reclassified to profit or loss:			
Remeasurement of defined benefit plans	29	(1,001)	838
Tax impact		(103)	(57)
Total items of other comprehensive (loss) income that will not be subsequently reclassified to profit or loss		(1,104)	781
Total other comprehensive income (loss), net of taxes		46,153	(29,168)
Total comprehensive income (loss), net of taxes attributable to shareholders of the Group		<u>\$ 155,173</u>	<u>\$ (302,582)</u>

See accompanying notes to the consolidated financial statements.

LIVANOVA PLC AND SUBSIDIARIES
Consolidated Balance Sheet
(In thousands)

	Note	31 December	
		2025	2024 Restated ⁽¹⁾
ASSETS			
Non-current assets			
Property, plant, and equipment	16	\$ 160,177	\$ 132,304
Intangible assets	17	304,593	275,104
Goodwill	17	465,169	448,108
Right-of-use assets	18	60,321	44,817
Financial assets	14	23,886	31,628
Derivative financial instruments	12	36,551	23,735
Deferred tax assets	10	114,743	107,936
Other assets		12,095	7,590
Total non-current assets		1,177,535	1,071,222
Current assets			
Inventories	19	164,701	147,566
Trade receivables	20	215,985	193,158
Other receivables	20	42,480	37,632
Financial assets	14	1,052	4,171
Current income tax receivable	10	23,248	12,886
Cash and cash equivalents	2	635,552	428,858
Restricted cash	2	—	294,698
Asset held for sale	16	—	2,319
Total current assets		1,083,018	1,121,288
Total assets		\$ 2,260,553	\$ 2,192,510
LIABILITIES AND EQUITY			
Shareholders' equity			
Share capital	23	\$ 84,564	\$ 83,156
Group reconstruction reserve	23	2,046,497	2,046,497
Share premium		48,891	46,216
Treasury shares		(1,166)	(136)
Accumulated other comprehensive income (loss)	23	3,293	(42,860)
Accumulated losses		(1,325,064)	(1,467,858)
Total shareholders' equity		\$ 857,015	\$ 665,015
Non-current liabilities			
Financial liabilities	15	\$ 340,356	\$ 549,510
Derivative financial instruments	12	83,904	51,819
Other liabilities	21	13,076	11,341
Provisions	22	97,810	125,099
Long-term lease liabilities	18	53,256	40,329
Provision for employee severance indemnities and other employee benefit provisions	29	11,798	6,586
Deferred tax liabilities	10	5,842	7,087
Total non-current liabilities		606,042	791,771

LIVANOVA PLC AND SUBSIDIARIES
Consolidated Balance Sheet

Current liabilities

Trade payables		93,803	67,081
Other liabilities	21	190,437	198,610
Financial liabilities	15	31,271	78,346
Provisions	22, 26	476,272	380,620
Current income tax payable	10	5,713	11,067
Total current liabilities		797,496	735,724
Total liabilities and shareholders' equity		\$ 2,260,553	\$ 2,192,510

⁽¹⁾ The consolidated balance sheet as of 31 December 2024 has been restated. For further details, refer to "Note 24. Restatement of Previously Issued Financial Statements."

See accompanying notes to the consolidated financial statements.

The financial statements on pages 75 to 129 were approved by the Board and were signed on its behalf on 27 April 2026 by:



VLADIMIR MAKATSARIA
CHIEF EXECUTIVE OFFICER & DIRECTOR

LIVANOVA PLC AND SUBSIDIARIES
Consolidated Statement of Changes in Equity
(In thousands)

	Note	Ordinary		Group Reconstruction Reserve	Share Premium	Treasury Shares	Accumulated Other Comprehensive Income (Loss)	Accumulated Losses	Total Shareholders' Equity
		Number of Shares	Share Capital						
1 January 2024		53,942	\$ 82,533	\$ 2,046,497	\$ 40,058	\$ (55)	\$ (13,692)	\$ (1,222,322)	\$ 933,019
Share-based compensation plans	28	146	183	—	6,158	359	—	27,878	34,578
EBT purchase of shares		350	440	—	—	(440)	—	—	—
Total transactions with owners recognised directly in shareholders' equity		496	623	—	6,158	(81)	—	27,878	34,578
Net loss		—	—	—	—	—	—	(273,414)	(273,414)
Other comprehensive loss	23	—	—	—	—	—	(29,168)	—	(29,168)
Total comprehensive loss for the year		—	—	—	—	—	(29,168)	(273,414)	(302,582)
31 December 2024		54,438	83,156	2,046,497	46,216	(136)	(42,860)	(1,467,858)	665,015
Share-based compensation plans	28	97	118	—	2,675	260	—	33,774	36,827
EBT purchase of shares		1,000	1,290	—	—	(1,290)	—	—	—
Total transactions with owners recognised directly in shareholders' equity		1,097	1,408	—	2,675	(1,030)	—	33,774	36,827
Net income		—	—	—	—	—	—	109,020	109,020
Other comprehensive income	23	—	—	—	—	—	46,153	—	46,153
Total comprehensive income for the year		—	—	—	—	—	46,153	109,020	155,173
31 December 2025		55,535	\$ 84,564	\$ 2,046,497	\$ 48,891	\$ (1,166)	\$ 3,293	\$ (1,325,064)	\$ 857,015

See accompanying notes to the consolidated financial statements.

LIVANOVA PLC AND SUBSIDIARIES
Consolidated Statement of Cash Flows
LIVANOVA PLC AND SUBSIDIARIES
Consolidated Statement of Cash Flows
(In thousands)

	Note	2025	2024 Restated ⁽¹⁾
Cash Flows From Operating Activities:			
Income (loss) for the year		\$ 109,020	\$ (273,414)
Non-cash items included in income (loss):			
Interest expense	6	52,048	65,563
Depreciation and amortisation	16, 17	46,054	42,316
Share-based compensation	28	38,455	36,842
Amortisation of debt issuance costs		22,442	21,469
Interest income	7	(18,982)	(29,973)
Income tax expense	10	17,171	23,121
Depreciation of lease assets	18	11,234	9,753
Remeasurement of contingent consideration to fair value	22	7,857	3,316
Remeasurement of derivative instruments		(6,899)	(25,345)
Fair value loss (gain) on investments		4,734	5,768
Gain on sale of asset	7	(4,128)	—
Loss on debt extinguishment	15	2,651	26,148
Gain on investment revaluation - Ceribell, Inc.		—	(7,144)
Other non-cash items		5,605	3,557
Changes in operating assets and liabilities:			
Accounts receivable, net		(10,705)	11,060
Inventories		(5,291)	(6,757)
Other current and non-current assets		38,538	(1,645)
SNIA environmental liability	22, 26	6,740	344,403
3T litigation provision liability	22	(1,088)	(4,125)
Current income tax payable		(3,651)	(682)
Other current and non-current liabilities		(2,533)	(24,050)
Cash provided by operations		309,272	220,181
Interest paid		(34,203)	(41,674)
Interest received		18,982	29,973
Income taxes paid		(29,368)	(15,912)
Net cash provided by operating activities		264,683	192,568
Cash Flows From Investing Activities:			
Purchases of tangible and intangible assets		(81,050)	(47,107)
Proceeds from asset sales		7,281	89
Proceeds from sale of investment		6,522	—
Purchases of investments		(5,665)	(1,142)
Net cash used in investing activities		(72,912)	(48,160)
Cash Flows From Financing Activities:			
Repayment of long-term debt obligations	15	(280,927)	(247,500)
Principal payments of lease liabilities	18	(10,343)	(9,530)
Shares repurchased from employees for minimum tax withholding		(4,430)	(8,439)
Proceeds from exercise of stock options		35	6,341
Proceeds from long-term debt obligations	15	—	335,513
Payment of debt extinguishment costs		—	(38,953)
Purchase of capped calls	11	—	(31,637)
Proceeds from unwind of capped calls	11	—	22,524
Payment of contingent consideration	11	—	(13,750)
Payment of debt issuance costs		—	(5,939)
Other financial assets and liabilities		(338)	391
Net cash (used in) provided by financing activities		(296,003)	9,021
Effect of exchange rate changes on cash, cash equivalents, and restricted cash		16,228	(7,745)
Net (decrease) increase in cash, cash equivalents, and restricted cash		(88,004)	145,684
Cash, cash equivalents, and restricted cash at beginning of year		723,556	577,872
Cash, cash equivalents, and restricted cash at end of year		\$ 635,552	\$ 723,556
Non-cash investing and financing transaction - asset obtained in exchange for lease obligation		\$ 4,859	\$ —

⁽¹⁾ The consolidated statement of cash flows for the year ended 31 December 2024 has been restated. For further details, refer to “Note 24. Restatement of Previously Issued Financial Statements.”

See accompanying notes to the consolidated financial statements.

LIVANOVA PLC AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 1. Nature of Operations

Company information. LivaNova is a public limited company incorporated in the UK under the Companies Act 2006 (Registration number 09451374). The Company is domiciled in England and Wales in the UK and its registered address is 20 Eastbourne Terrace, London, W2 6LG, United Kingdom. LivaNova's ordinary shares are listed for trading on the Nasdaq under the symbol "LIVN."

Description of the business. LivaNova PLC is a market-leading global medical technology company. The Company designs, develops, manufactures, markets, and sells products, therapies, and services that are consistent with LivaNova's mission to "create ingenious medical solutions that ignite patient turnarounds."

Business segments. For the periods presented herein, LivaNova is comprised of two reportable segments: Cardiopulmonary and Neuromodulation. For additional information, refer to "Note 4. Segment and Geographic Information."

Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

Basis of Preparation. The consolidated financial statements have been properly prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006, as applicable to companies reporting under those standards, and have been prepared on a going concern basis.

Accounting policies have been applied consistently and are presented on a historical cost basis, except for investments in equity instruments in privately-held companies, derivative financial instruments, contingent consideration liabilities, pension obligations, and share awards that have been measured at fair value. The consolidated financial statements are presented in USD, and all values are rounded to the nearest thousand, except where otherwise indicated.

Cybersecurity Incident. As previously disclosed, in November 2023, LivaNova detected a cybersecurity incident that resulted in a disruption of portions of the Company's IT systems. As a result, the Company engaged external cybersecurity experts, coordinated with law enforcement, implemented remediation measures, and notified affected individuals and regulators as required by applicable law. The incident was contained, and the Company's mitigation efforts are considered complete. For further discussion on related legal and regulatory matters, refer to "Note 26. Commitments and Contingencies."

Through 31 December 2025, LivaNova incurred direct costs totalling \$13.1 million in connection with this cybersecurity incident, including \$1.5 million and \$9.0 million for the years ended 31 December 2025 and 2024, respectively. The total direct costs incurred primarily include external cybersecurity expert and legal fees, system restoration costs, and \$1.2 million related to a class action settlement, and do not include business interruption losses. The Company may incur additional costs related to this incident in the future.

LivaNova maintains insurance, including cyber insurance, which is subject to certain retentions and policy limitations that will likely limit the amount that the insurers may reimburse the Company. LivaNova has filed claims for insurance reimbursement of direct costs and business interruption losses and, as of 31 December 2025, the reimbursement process is substantially complete. Through 31 December 2025, LivaNova has received \$10.7 million of insurance reimbursements, including \$6.8 million in reimbursement of direct costs and \$3.9 million in reimbursement of business interruption losses. For the years ended 31 December 2025 and 2024, LivaNova received \$1.7 million and \$5.1 million, respectively, in reimbursement of direct costs. For the years ended 31 December 2025 and 2024, LivaNova received \$0.6 million and \$3.3 million, respectively, in reimbursement of business interruption losses. LivaNova will submit additional claims for reimbursement if incremental costs are incurred. The Company's insurance coverage may be insufficient to cover all costs and expenses related to this cybersecurity incident or may be unavailable to cover all costs and expenses related to this cybersecurity incident.

Presentational Changes. LivaNova reclassified certain prior period amounts for comparative purposes in line with the change in presentation in the current year regarding the presentation of these items. The following tables present a summary of the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

reclassifications to the impacted financial statement line items in the Company's financial statements in the previously issued 2024 Annual Report (in thousands):

Consolidated Balance Sheet	31 December 2024		
	As Previously Reported	Adjustments ⁽¹⁾	As Currently Reported
Contingent consideration	\$ 84,218	\$ (84,218)	\$ —
Non-current provisions	40,881	84,218	125,099
SNIA environmental liability	344,403	(344,403)	—
3T litigation provision liability	12,918	(12,918)	—
Current provisions	23,299	357,321	380,620
	<u>\$ 505,719</u>	<u>\$ —</u>	<u>\$ 505,719</u>

⁽¹⁾ Reclassifications to aggregate the presentation of provision liabilities.

Consolidated Statement of Cash Flows	2024		
	As Previously Reported	Adjustment	As Currently Reported
Cash Flows From Investing Activities:			
Other	\$ 89	\$ (89)	\$ —
Proceeds from asset sales	—	89	89
	<u>\$ 89</u>	<u>\$ —</u>	<u>\$ 89</u>

Going Concern. In assessing the appropriateness of the going concern basis of accounting, the Company evaluated LivaNova's profitability and cash flow generation, working capital requirements, and forecasted operating and capital expenditure needs. The Company also considered LivaNova's access to liquidity, including cash on hand and available borrowing capacity under committed credit facilities, as well as the timing of significant debt maturities (including compliance with covenants), and other contractual obligations, including acquisition earnouts and commitments and contingencies such as the SNIA environmental liability. Macroeconomic and market factors that could affect LivaNova's financial performance were also considered as part of this assessment. Additionally, the Company evaluated various scenarios, including a reverse stress test, to identify conditions or events that could raise substantial doubt about its ability to continue as a going concern. Based on this analysis, no material uncertainties were identified that would impact the Company's ability to continue as a going concern.

Based on LivaNova's current business plan and cash flow projections, the Company believes that its cash and cash equivalents, future cash generated from operations, and available borrowings under its revolving credit facility will be sufficient to meet its uses of liquidity, primarily consisting of day-to-day operating expenses, working capital, capital expenditures, acquisition earnouts, commitments and contingencies, including the SNIA environmental liability, and debt service requirements over the twelve-month period beginning from the issuance date of these consolidated financial statements. LivaNova regularly reviews its capital needs and considers various investing and financing alternatives to support the Company's requirements. As of 31 March 2026, LivaNova was in compliance with the financial covenants associated with the Company's debt facilities, and LivaNova's forecasts support continued compliance with those covenants for a period of at least twelve months from the issuance of these financial statements. Accordingly, the Board considers it appropriate to adopt the going concern basis in preparing these consolidated financial statements and have concluded that no material uncertainties exist that may cast significant doubt on LivaNova's ability to continue as a going concern.

The current macroeconomic environment, including FX volatility, inflationary pressures, and geopolitical instability, and global supply chain challenges have impacted and may continue to impact LivaNova's business, results of operations, cash flows, and financial condition. Furthermore, LivaNova continues to experience logistical, capacity, and labour constraints. However, to date, the Company's supply of raw materials and the production and distribution of finished products have not been materially affected. The Company continues to respond to such challenges. While LivaNova has business continuity plans in place, the impact of the ongoing challenges the Company is navigating, along with their potential escalation, may adversely affect its business.

In addition, the impact that the imposition of tariffs and changes to global trade policies could have on the Company's results of operations is uncertain. A significant number of LivaNova's Cardiopulmonary products and component parts are sourced and produced outside of the U.S., including in Italy and Germany. Similarly, LivaNova manufactures its Neuromodulation products in the U.S., which are then often distributed internationally.

Fiscal Year-End. LivaNova's fiscal year ends on 31 December.

Consolidation. The accompanying consolidated financial statements include LivaNova, its wholly owned subsidiaries, and the EBT. All significant intercompany accounts and transactions have been eliminated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

Investments. LivaNova's investments comprise equity and debt securities in various stages of development.

Equity method investments represent investments in affiliates in which the Company has significant influence, but does not control, and that do not have a readily determinable fair value. LivaNova's share of net income or loss is reflected as one line item on the Company's consolidated statement of income (loss) under share of loss from equity accounted investments and will increase or decrease, as applicable, the carrying value of the Company's equity method investments reported as financial assets on the consolidated balance sheet.

Investments in equity securities with readily determinable fair values and are not accounted for under the equity method, and are measured at fair value with gains or losses included in finance income or finance expense, respectively, on the consolidated statement of income (loss).

Investments in equity securities that do not have readily determinable fair values and are not accounted for under the equity method are measured at cost minus fair value loss, if any, plus changes resulting from observable price changes in orderly transactions for an identical or a similar investment of the same issuer with gains or losses included in finance income or finance expense, respectively, on the consolidated statement of income (loss). This measurement approach is intended to approximate the fair value through profit or loss of the equity security in the absence of a readily determinable market value.

Refer to *Financial Assets at Fair Value Through OCI* for a description of certain investments in debt securities.

LivaNova regularly reviews its investments for changes in circumstance or the occurrence of events that suggest its investments may not be recoverable, and if a fair value loss is considered to be other than temporary, the loss is recognised on the consolidated statement of income (loss) in the period the determination is made.

Goodwill. LivaNova allocates the amounts the Company pays for an acquisition to the assets acquired and liabilities assumed based on their fair values at the date of acquisition, including PP&E; inventories; accounts receivable; long-term debt; and identifiable intangible assets, which either arise from a contractual or legal right or are separable from goodwill. The Company bases the fair value of identifiable intangible assets acquired in a business combination, including IPR&D, on detailed valuations that use information and assumptions provided by management, which consider management's best estimates of inputs and assumptions that a market participant would use. LivaNova allocates any excess purchase price over the fair value of the net tangible and identifiable intangible assets acquired to goodwill. Transaction costs associated with these acquisitions are expensed as incurred and are reported as selling, general, and administrative on the consolidated statement of income (loss). LivaNova recognises adjustments to the provisional amounts identified during the measurement period with a corresponding adjustment to goodwill in the reporting year in which the adjustment amounts are determined. The effect on earnings of changes in depreciation, amortisation or other income effects, if any, as a result of the change to the provisional amounts is recorded in the same year's consolidated financial statements, calculated as if the accounting had been completed at the acquisition date.

Intangible Assets, Other Than Goodwill. Intangible assets shown on the consolidated balance sheet consist of finite-lived and indefinite-lived assets expected to generate future economic benefits and are recorded at their respective fair values as of their acquisition date. Finite-lived intangible assets consist primarily of developed technology and technical capabilities, including software, patents, related know-how, and licensed patent rights, as well as trade names and customer relationships. Customer relationships consist of relationships with hospitals and surgeons in the countries where LivaNova operates. Indefinite-lived intangible assets other than goodwill are composed of IPR&D assets acquired in acquisitions. IPR&D assets acquired in business combinations are initially recognised at fair value and classified as indefinite-lived until the associated R&D efforts are completed or abandoned. These assets are not amortised, but are tested for impairment at least annually. Once the R&D is complete, the useful life and amortisation method of the resulting intangible asset are determined. LivaNova amortises its finite-lived intangible assets over their useful lives using the straight-line method. Estimating the useful lives of intangible assets requires LivaNova to apply significant judgement.

The Company capitalises direct development costs for internal-use software once the preliminary project stage is complete, management has authorised funding, and it is probable the software will be completed and placed in service. Capitalisation ceases when the software is substantially complete and ready for its intended use. Capitalised costs are amortised on a straight-line basis over the estimated useful life of the software, beginning when the software is available for use.

LivaNova evaluates its finite-lived and indefinite-lived intangible assets each reporting year to determine whether events and circumstances indicate either a different useful life or impairment, respectively. For finite-lived intangible assets, if LivaNova changes its estimate of the useful life of an asset, the Company amortises the carrying amount over the revised remaining useful life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

The amortisation periods for LivaNova's finite-lived intangible assets were as follows:

31 December 2025	Minimum Life in Years	Maximum Life in Years
Developed technology ⁽¹⁾	14	17
Customer relationships ⁽¹⁾	7	18
Software	3	10

⁽¹⁾ As of 31 December 2025, developed technology from the Merger had a remaining useful life of 5 years and customer relationships from the Merger had a remaining useful life of 8 years.

Foreign Currency. LivaNova determines the functional currency of its subsidiaries that exist and operate in different economic and currency environments based on the primary economic environment in which the subsidiary operates, that is, the currency of the environment in which an entity primarily generates and expends cash. LivaNova's significant foreign subsidiaries are located in Europe and the United States. The functional currency of LivaNova's significant European subsidiaries is the Euro, and the functional currency of LivaNova's significant U.S. subsidiaries is the USD.

Assets and liabilities of subsidiaries whose functional currency is not the USD are translated into USDs based on a combination of both current and historical exchange rates, while their revenues earned, and expenses incurred are translated into USDs at average period exchange rates. Translation adjustments are included as AOCI on LivaNova's consolidated balance sheet. Gains and losses arising from transactions denominated in a currency different from an entity's functional currency are included in finance expense and finance income in LivaNova's consolidated statement of income (loss). Taxes are not provided on cumulative translation adjustments, as substantially all translation adjustments are related to earnings which are intended to be indefinitely reinvested in the countries where earned. Foreign exchange rate loss included within finance expense on the consolidated statement of income (loss) consists primarily of gains and losses arising from transactions denominated in a currency different from an entity's functional currency and FX derivative gains and losses.

Foreign currency differences arising from translation are recognised in the consolidated statement of comprehensive income (loss).

The Euro and GBP exchange rates to USD used in preparing the consolidated financial statements were as follows:

	Weighted Average Rate Euro	Closing Rate Euro	Weighted Average Rate GBP	Closing Rate GBP
31 December 2025	0.886758	0.852510	0.759161	0.744320
31 December 2024	0.925599	0.924540	0.782329	0.782630

Financial Instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are offset with the net amount reported in the consolidated balance sheet only if there is a current enforceable legal right to offset the recognised amounts and intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(a) Financial Assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, trade receivables and other financial assets, investments, financial assets, or derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date on which the Company commits to purchase or sell the asset.

The subsequent measurement and impairment of financial assets depends on their classification as described below:

Financial Assets at Fair Value Through Profit or Loss. Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. LivaNova uses freestanding derivative forward contracts to offset exposure to the variability of the value associated with assets and liabilities denominated in a foreign currency. These derivatives are not designated as hedges, and therefore, changes in the value of these forward contracts are recognised in the consolidated statement of income (loss), thereby offsetting the current net income (loss) effect of the related change in value of foreign currency denominated assets and liabilities.

Changes in the fair value of LivaNova's investments in equity instruments held at fair value are recognised through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

Financial Assets at Fair Value Through OCI. Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through OCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest income, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in finance expense or income. Interest income from these financial assets is included in finance income using the EIR method.

Trade Receivables and Other Financial Assets. Trade receivables and other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated statement of income (loss). The receivable balance consists of trade receivables from direct customers and distributors and loans issued. LivaNova maintains an expected credit loss provision for expected credit losses based on the Company's estimates of the ability of customers to make required payments, historical credit experience, existing economic conditions, and expected future trends. LivaNova writes off uncollectable accounts against the provision when all reasonable collection efforts have been exhausted. Loans, together with the associated provision, are written off when there is no realistic prospect of future recovery, and all collateral has been realised or has been transferred to the Company. The losses arising from impairment are recognised in the consolidated statement of income (loss) in cost of sales or other operating expenses for receivables.

Collection periods for trade receivables vary significantly due to the nature of a customer (e.g., government or private) and its geographic location. LivaNova may utilise non-recourse and with-recourse factoring arrangements as a part of its funding policy; however, as of 31 December 2025 and 2024, there are no factoring arrangements outstanding.

Refer to "Note 20. Trade Receivables and Other Receivables" for additional information.

Financial Asset Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third-party under a pass-through arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings (bank debt), payables, or derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings, and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and bank debt including bank overdrafts, and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as follows:

Financial Liabilities at Fair Value Through Profit or Loss. Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9, which the Company has elected to apply. Gains or losses on liabilities held-for-trading are recognised in the consolidated statement of income (loss). Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Changes in the fair value of the Company's contingent consideration liability are recognised through profit or loss.

Loans and Borrowings (bank debt). After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of income (loss) when the liabilities are derecognised, as well as through the EIR method amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense in the consolidated statement of income (loss). Interest paid is presented within operating activities in the consolidated statement of cash flows since it represents an ongoing borrowing cost. Payment of debt extinguishment and issuance costs are presented within financing activities in the consolidated statement of cash flows since these payments relate to the extinguishment and issuance of debt. For additional information, refer to "Note 15. Financial Liabilities."

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

Financial Liability Derecognition. A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of income (loss).

Derivative Financial Instruments and Hedge Accounting. Derivative instruments are recognised as either assets or liabilities at fair value in the consolidated balance sheet and are classified as short-term or long-term based on the scheduled maturity of the instrument. At the inception of the contract, the derivative is designated as either a freestanding derivative or a hedge. Derivatives that are not designated as hedging instruments are referred to as freestanding derivatives, with changes in fair value included in earnings.

If the derivative qualifies for hedge accounting, depending on the nature of the hedge and hedge effectiveness, changes in the fair value of the derivative will either be recognised immediately in earnings or recorded in other comprehensive income (loss) until the hedged item is recognised in earnings. The changes in the fair value of the derivative are intended to offset the change in fair value of the hedged asset, liability, or probable commitment.

Cash flows from hedging and economic hedges are reported as operating activities on the consolidated statements of cash flows. Cash flows for embedded and capped call derivatives are reported as financing activities on the consolidated statements of cash flows.

Fair Value Measurements. LivaNova follows the authoritative guidance on fair value measurements and disclosures with respect to assets and liabilities that are measured at fair value on both a recurring and nonrecurring basis. Under this guidance, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The authoritative guidance also establishes a hierarchy for inputs used in measuring fair value that maximises the use of observable inputs and minimises the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability, based on market data obtained from sources independent of LivaNova. Unobservable inputs are inputs that reflect LivaNova's assumptions about the factors market participants would use in valuing the asset or liability developed based upon the best information available in the circumstances. The categorisation of financial assets and financial liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company's policy is to recognise transfers into and out of levels within the fair value hierarchy at the end of the fiscal quarter in which the actual event or change in circumstances that caused the transfer occurs. When a determination is made to classify an asset or a liability within Level 3, the determination is based upon the significance of the unobservable inputs to the overall fair value. The hierarchy is broken down into three levels defined as follows:

- Level 1 – Inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Inputs are unobservable for the asset or liability.

Cash and Cash Equivalents. LivaNova considers all highly liquid investments with an original maturity of three months or less, consisting of demand deposit accounts and money market mutual funds, to be cash equivalents. Cash equivalents are carried on the consolidated balance sheet at cost, which approximates their fair value.

Restricted Cash. The Company classifies cash that is not available for use in its operations as restricted cash within current assets on the consolidated balance sheet. As of 31 December 2025, LivaNova did not have a restricted cash balance. As of 31 December 2024, LivaNova's restricted cash balance was comprised of cash deposits with Barclays held as collateral for the SNIA Litigation Guarantee. As security for the SNIA Litigation Guarantee, LivaNova was required to grant cash collateral to Barclays in USD in an amount equal to the USD equivalent of 105% of the amount of the SNIA Litigation Guarantee calibrated on a biweekly basis. On 31 March 2025, as a result of the decision by the Italian Supreme Court, the SNIA Litigation Guarantee was terminated, and the restriction on the cash deposit held as collateral was released. For additional information regarding the SNIA litigation, refer to "Note 26. Commitments and Contingencies."

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

Non-monetary Assets. PP&E. Property, plant, and equipment is carried at cost, less accumulated depreciation and any accumulated impairment losses. Maintenance and repairs, and minor replacements are charged to expense as incurred, while significant renewals and improvements are capitalised. LivaNova computes depreciation using the straight-line method over estimated useful lives. Where an item of PP&E comprises several parts with different useful lives, each part is recognised as a separate item and depreciated over its useful life. Useful life and residual value of PP&E are reviewed at each year-end. As necessary, the occurrence of changes to the useful life or residual value is recognised prospectively as a change in accounting estimates.

Leasehold improvements are depreciated over the shorter of the useful life of an asset or the lease term. Capital improvements to the building are added as building components and depreciated over the useful life of the improvement or the building, whichever is less.

The estimated useful lives for all classes of depreciable PP&E, except for land and capital investment in process which are not depreciated, were as follows:

31 December 2025	Lives in Years
Building and building improvements	3 - 45
Equipment, other, furniture, fixtures	2 - 20

Where there are any internal or external indications that the value of an item of PP&E may be impaired, the recoverable amount of the CGU(s) to which it belongs is calculated. If the recoverable amount is less than the carrying amount of the CGUs, a provision for impairment is recorded. PP&E is reviewed for any internal or external triggering indications of impairment annually on 31 December.

Impairment of Goodwill and Long-lived Assets. The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The methodology applied to LivaNova's CGUs is fair value less costs of disposal, reflecting past experience and external sources of information, and includes Board approved five-year budgets based on cash flows which are extended to trend the expected short-term revenue growth rate at the end of the budgeted period down to the estimated long-term growth rate in a linear manner. The methodology applied to the Company's fair value less cost of disposal calculations is based on projected periods and includes a discounted cash flow model test, utilising discount rates and a long-term growth rate. Impairment evaluations are highly subjective. They involve expectations of future cash flows that reflect LivaNova's judgements and assumptions regarding future industry conditions and operations. The estimates and assumptions used in the application of the Company's goodwill impairment policies reflect both historical experience and an assessment of current operational, industry, market, economic, and political environments. Quantitative factors used to determine the fair value less cost of disposal of the CGU reflect the Company's best estimates, and the Company believes they are reasonable. Future declines in the CGU's operating performance or LivaNova's anticipated business outlook may reduce the estimated fair value of LivaNova's CGU and result in additional impairment. Factors that could have a negative impact on the fair value of the CGUs include, but are not limited to:

- Decreases in revenue as a result of the inability of LivaNova's sales force to effectively market and promote the Company's products;
- Increased competition, patent expirations, or new technologies or treatments commercialised by competitors;
- Declines in anticipated growth rates;
- The outcome of litigation, legal proceedings, investigations, or other claims resulting in significant cash outflows; and
- Increases in the market-participant risk-adjusted WACC.

Generally, for intangible assets with a definite useful life, the Company uses cash flow projections for the whole useful life of these assets with a terminal value based on cash flow projections usually in line with or lower than inflation rates for later years.

Discount rates used are based on the Company's estimated WACC adjusted for specific country and currency risks associated with cash flow projections as an approximation of the WACC of a comparable market participant. Due to the above factors, actual cash flows and values could vary significantly from forecasted future cash flows and related values derived using discounting techniques.

Goodwill is tested for impairment annually as of 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future years.

LivaNova conducts impairment testing of its indefinite-lived intangible assets on 31 December each year. The Company tests indefinite-lived intangible assets for impairment between annual tests if an event occurs or circumstances change that would indicate the carrying amount may be impaired. An impairment loss is recognised when the asset's carrying value exceeds its fair value.

Research and Development. Research costs are recognised as an expense for the year in which they are incurred. R&D includes costs of basic research activities as well as engineering and technical effort required to develop a new product or make a significant improvement to an existing product or manufacturing process. R&D costs also include regulatory and clinical study expenses, including post-market clinical studies.

Inventories. LivaNova states its inventories at the lower of cost, using the first-in-first-out method, and net realisable value. The Company's calculation of cost includes the acquisition cost of raw materials and components, direct labour, and overhead.

Revenue Recognition. Refer to "Note 3. Revenue Recognition."

Defined Benefit Pension Plans and Other Post-Employment Benefits. The Company sponsors various retirement benefit plans, including defined benefit pension plans (pension benefits), defined contribution savings plans, and termination indemnity plans, covering substantially all U.S. employees and employees outside the United States. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability), and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to the consolidated statement of income (loss) in subsequent years.

Past service costs are recognised in the consolidated statement of income (loss) on the earlier of:

- The date of the plan amendment or curtailment, and
- The date on which the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under cost of sales and selling, general, and administrative expenses in the consolidated statement of income (loss) (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailment, and non-routine settlements, and
- Net finance expense or income.

Provision for severance indemnity is mandatory for Italian companies and is considered:

- A defined benefit plan with respect to amounts vested up to 31 December 2006 and amounts vesting from 1 January 2007 for employees who have chosen to maintain the TFR at the Company, for companies with 50 or fewer employees.
- A defined contribution plan with respect to amounts vesting as from 1 January 2007 for employees who have opted for supplementary pensions or who have chosen to maintain the TFR at the Company, for companies with more than 50 employees.

As a defined benefit plan, the TFR is measured using the unit credit projection method based on actuarial assumptions (demographic assumptions: mortality, turnover, disability of the population included in the above plan; financial assumptions: discount rate, benefit growth rate, capitalisation rate). The increase in the present value of the TFR is included in personnel expense, with the exception of the revaluation of the net liability, which is recorded among items of OCI. The cost of TFR accrued through 31 December 2006 no longer includes the component related to future salary increases. Payments of TFR, as a defined contribution plan, are also included in personnel expense, and until they are settled financially, they have a balancing entry in the statement of financial position in the form of current payables.

Share-Based Compensation. LivaNova may grant share-based awards to directors, officers, and key employees. The Company measures the cost of services received in exchange for an award of equity instruments based on the grant date fair market value of the award. The cost of equity-settled transactions is recognised in employee benefits expense, together with a corresponding increase in retained earnings over the period in which the service and the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. LivaNova issues new shares upon stock option exercises; otherwise, issuance of shares for vesting of restricted stock, restricted stock units, market performance-based restricted share units, operating performance-based restricted share units, or exercises of stock appreciation rights are issued from treasury shares. LivaNova has the right to elect to pay the cash value of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

vested restricted stock units in lieu of the issuance of new shares. The social security contributions on employee share-based payment awards are accrued over the service period.

The following share-based awards are offered by the Company:

- *SARs.* LivaNova may grant SARs that confer upon the grantee the contractual right to receive an amount of cash, shares, or a combination of both, that equals the appreciation in the Company's shares from the award's grant date to the exercise date. SARs may be exercised at the grantee's discretion during the exercise period and do not give the grantee an ownership right in the underlying shares. SARs do not involve payment of an exercise price. LivaNova uses the Black-Scholes option pricing methodology to calculate the grant date fair market value of SARs and compensation is expensed ratably over the service period. The Company determines the expected volatility of the awards based on historical volatility. Calculation of compensation for SARs requires the Company to estimate historical volatility and forfeiture rates.
- *Service-Based RSUs.* LivaNova may grant service-based RSUs at no purchase cost to the grantee. The grantees of unvested units have no voting rights or rights to dividends, and sale or transfer of the units is restricted until they are vested. The fair market value of service-based RSUs is determined using the market closing price on the grant date, and compensation is expensed ratably over the service period. Calculation of compensation for RSU requires the Company to estimate forfeiture rates.
- *Market Performance-Based RSUs.* LivaNova may grant market performance-based RSUs at no purchase cost to the grantee. The grantees of unvested units have no voting rights or rights to dividends, and sale or transfer of the units is restricted until they are vested. The number of shares that are ultimately transferred to the grantee is dependent upon the Company's percentile rank of TSR relative to a peer group. The fair market value of market performance-based RSUs is determined utilising a Monte Carlo simulation on the grant date and compensation is then expensed ratably over the service period. Calculation of compensation for market performance-based RSUs requires the Company to estimate historical volatility and forfeiture rates.
- *Operating Performance-Based RSUs.* LivaNova may grant operating performance-based RSUs at no purchase cost to the grantee. The grantees of unvested units have no voting rights or rights to dividends, and sale or transfer of the units is restricted until they are vested. The number of shares that are ultimately transferred to the grantee is dependent upon the Company's percent achievement of certain targets for cumulative FCF and ROIC. The fair market value of operating performance-based RSUs is determined using the market closing price on the grant date. Compensation is expensed ratably over the service period and is adjusted based upon the estimated and actual percentage achievement of the related financial metrics as compared to target.

Income Taxes. The tax expense for the year comprises current and deferred tax. Current and deferred tax is recognised in the consolidated statement of income (loss), except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Company's subsidiaries and associates operate and generate taxable income. The Company is subject to taxation on earnings in several countries under various tax regulations. Calculation of taxes on a global scale requires the use of estimates and assumptions developed based on the information available at the balance sheet date. The group measures its tax balances based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred taxes are recognised by the liability method for temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their tax base. They are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Adjustments to deferred taxes resulting from changes in tax rates are recognised in the consolidated statement of income (loss). A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. At each year-end, the Company reviews the recoverable value of deferred tax assets of tax entities holding significant loss carryforwards. This value is based, by tax entity, on the strategy for recoverability of the tax loss carryforwards. Deferred taxes are charged or credited directly to equity when the tax relates to items that are recognised directly in equity, such as gains and losses on cash flow hedges and actuarial gains and losses on defined benefit plan obligations. Deferred tax assets and liabilities are set off when they are levied on the same taxable entity (legal entity or tax group) by the same taxation authority and the entity has a legally enforceable right of set off. Deferred taxes are recognised for all temporary differences associated with investments in subsidiaries and associates, except to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax balances are not discounted. As

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

allowed by the amendments to IAS 12, the Company has applied the exception and will neither recognise nor disclose information about deferred tax assets and liabilities relating to the OECD base erosion and profit shifting Pillar Two.

Leases. LivaNova has leases primarily for (i) real estate, including office space and manufacturing, warehouse, and research and development facilities and (ii) vehicles. LivaNova determines whether an arrangement is or contains a lease at its inception or when the terms and conditions of a contract are significantly changed. ROU assets and lease liabilities are recognised based on the present value of the future minimum lease payments over the lease term at the latter of the Company's lease standard effective date for adoption or the lease commencement date. LivaNova does not record an operating lease asset and corresponding liability for leases with terms of 12 months or less. LivaNova recognises the lease payments for such short-term leases within profit and loss on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate, such as variable common area rent, maintenance charges, and utility fees not known upon lease commencement, are not included in the determination of the minimum lease payments and are expensed in the period in which the obligation for those payments is incurred. Variable lease payments that depend on an index or a rate are initially measured using the index or rate as of the commencement date. As most of the Company's leases do not provide a readily determinable implicit rate, LivaNova uses its IBR based on the information available at the lease commencement date in determining the present value of future payments. LivaNova's IBR is determined using a risk-free rate adjusted for factors such as credit rating and borrowing currency, and represents an estimate of the interest rate the Company would incur at lease commencement to borrow the funds necessary to obtain an asset of similar value to the ROU asset over the term of a lease. The ROU lease asset also includes any lease payments made in advance and excludes lease incentives. LivaNova's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. ROU assets are depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis. Lease payments are allocated between the liability and finance costs. Finance costs are recorded as finance expense in the consolidated statement of income (loss) over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. Certain of LivaNova's leases provide for tenant improvement allowances that have been recorded as ROU assets and amortised, using the straight-line method, over the life of the lease.

LivaNova applies certain practical expedients on an ongoing basis, including the practical expedient for short-term leases and leases of low-value assets pursuant to which a lessee is permitted to make an accounting policy election by class of underlying asset not to recognise a lease liability and lease asset. A short-term lease is defined as a lease with a term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. In exception to vehicles as it relates to the low-value lease asset policy, the Company has applied these accounting policies to all asset classes in the Company's portfolio and will recognise the lease payments for such short-term leases and leases of low-value assets within the consolidated statement of income (loss) on a straight-line basis over the lease term.

Accounting for leases has no impact on the actual cash flows. However, lease accounting requires the capitalisation, and subsequent depreciation, of costs that were previously expenses as paid, which impacts disclosures of cash flows within the cash flow statement.

From a lessor perspective, certain of LivaNova's agreements that allow the customer to use, rather than purchase, the Company's medical devices meet the criteria of being a lease.

For additional information, refer to "Note 18. Leases."

Equity. Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity instruments, for example, as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of LivaNova as treasury shares until the shares are cancelled or reissued. Where such Ordinary Shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of LivaNova.

Provisions and Warranties. Provisions for legal claims, service warranties, and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

The Company offers a product warranty on various products. The Company estimates the costs that may be incurred under warranties and records a liability in the amount of such costs at the time the product is sold. The amount of the reserve recorded is equal to the net costs to repair or otherwise satisfy the claim. The warranty obligation is included in current provisions on the consolidated balance sheet. Warranty expense is recorded in cost of sales in the consolidated statement of income (loss).

Contingent Consideration. Contingent consideration is recognised at fair value at the date of acquisition based on the consideration expected to be transferred and estimated as the probability of future cash flows, discounted to present value in accordance with accepted valuation methodologies. The discount rate used is a benchmark yield curve for U.S. healthcare companies, determined at the time of measurement. Contingent consideration is remeasured each reporting year with the change in fair value, including accretion for the passage of time, recorded in the consolidated statement of income (loss). The change in fair value of contingent consideration based on the achievement of regulatory milestones is recorded as research and development expense while the change in fair value of sales-based earnout contingent consideration is recorded as cost of sales.

Product Liability Accruals. Accruals for product liability claims are recorded when it is probable that a liability has been incurred, and the amount of the liability can be reasonably estimated based on existing information. Accruals for product liability claims are adjusted periodically as additional information becomes available. The Company accrues an estimate of the legal defence costs needed to defend each matter when those costs are probable and can be reasonably estimated.

Contingencies. The Company is subject to product liability claims, government investigations, and other legal proceedings in the ordinary course of business. Legal fees and other expenses related to litigation are expensed as incurred and included in selling, general, and administrative expenses in the consolidated statement of income (loss). A provision is recorded when the Company determines that a loss is both probable and reasonably estimable. Due to the fact that legal proceedings and other contingencies are inherently unpredictable, LivaNova's assessments involve significant judgement regarding future events.

EPS. Basic EPS is calculated by dividing the income (loss) for the year attributable to equity holders of the parent by the weighted average number of shares outstanding during the year. Diluted EPS is calculated by dividing the income (loss) attributable to equity holders of the parent by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential shares into shares. Refer to "Note 30. EPS" for additional information.

Critical Estimates and Judgements. The preparation of LivaNova's consolidated financial statements in conformity with IFRS requires management to make estimates and judgements that affect the amounts reported in such financial statements and accompanying notes. These estimates and judgements are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results could differ materially from those estimates. Application of the following accounting policies requires certain judgements and estimates that have the potential for the most significant impact on LivaNova's consolidated financial statements:

Critical Estimates

- *3T Litigation and Saluggia Site Hazardous Substances Provisions.* Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Estimates are used in assessing the likelihood of a loss being incurred and when determining a reasonable estimate of the loss for each claim. Final settlement amounts may be materially different from the provision recorded. For the 3T litigation provision, given the nature of the estimate, no sensitivities are applicable. For further discussions on the Company's 3T Litigation and Saluggia Site Hazardous Substances Provisions, refer to "Note 26. Commitments and Contingencies," including the sensitivity to discount rates and the range of outcomes for the Saluggia site hazardous substances provision.
- *Goodwill and Intangible Assets - In-process research and development.* Goodwill and IPR&D were recognised as part of the Company's past merger and acquisition activities based on detailed valuations that use information and assumptions provided by management. These valuations consider management's best estimates of inputs and assumptions that a market participant would use. The key estimates in the valuations include the discount rate as well as the revenue growth rate and the OSA CGU's commercialisation date. For a discussion of impairments recognised and sensitivity analyses performed, refer to "Note 17. Goodwill and Intangible Assets."
- *Embedded Exchange and Conversion Features and Capped Call Derivatives.* In June 2020, the Company's wholly-owned subsidiary LivaNova USA issued the 2025 Notes and entered into the related 2025 Capped Calls, and in March 2024, the Company issued the 2029 Notes and entered into the related 2029 Capped Calls. The 2025 Notes included, and the 2029 Notes include terms resulting in a bifurcated embedded derivative. The Embedded Derivatives are measured at fair value using a binomial lattice model and discounted cash flows that utilise observable and unobservable market data. Each capped call derivative is measured at fair value using the Black-Scholes model utilising observable and unobservable market data, including stock price, remaining contractual term, expected volatility, risk-free interest rate, and expected dividend yield, as applicable. The Company uses historical volatility and implied volatility from options traded to determine expected stock price volatility, which is an unobservable input that is significant to the valuation. For additional information, refer to "Note

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

11. Fair Value Measurements” for a sensitivity analysis of expected stock price volatility and “Note 15. Financial Liabilities.”

Critical Estimates and Judgements

- *Deferred Tax Recoverability.* Management has made estimates and judgements regarding the recoverability of deductible temporary differences and tax losses carried forward to be utilised from future taxable profits. LivaNova does not currently recognise UK deferred tax assets relating to losses where UK group relief is not permitted, and other timing differences due to the uncertainty involved in determining the future profitability of the Company. For additional information, refer to “Note 10. Taxation.”
- *Commitments and Contingencies.* A number of LivaNova subsidiaries are involved in various government and other investigations and legal proceedings (product liability, commercial, employment, environmental claims, etc.) arising out of the normal conduct of their businesses. The outcome of these matters is not certain, and estimates and judgements are required in determining whether these matters require the recognition of a liability and the amount thereof. The most significant matters considered relate to the Company’s the SNIA litigation, 3T device, and the Company’s Saluggia site. For more information, see “Note 26. Commitments and Contingencies.”

Note 3. Revenue Recognition

LivaNova generates revenue through contracts with customers consisting primarily of hospitals, healthcare institutions, and distributors. Revenue is measured based on consideration specified in customer contracts and excludes amounts collected on behalf of third parties. The Company measures the consideration based upon the estimated amount to be received. The amount of consideration LivaNova ultimately receives varies depending upon the return terms, sales rebates, discounts, and other incentives the Company may offer, which are accounted for as variable consideration when estimating the amount of revenue to recognise.

LivaNova has historically experienced a low rate of product returns, and the total value of product returns has not been significant to the Company’s consolidated financial statements.

LivaNova recognises revenue when a performance obligation is satisfied by transferring control of a product or providing service to a customer. Some of LivaNova’s contracts include the purchase of multiple products and/or services. In such cases, LivaNova allocates the transaction price based upon the relative estimated standalone selling price of each product and/or service sold. LivaNova records state and local sales taxes net; that is, the Company excludes sales tax from revenue. Typically, LivaNova’s contracts do not have a significant financing component. LivaNova did not apply the practical expedient under IFRS 15 which provides that an entity is not required to adjust the transaction price for the effects of a significant financing component if, at contract inception, it expects the period between customer payment and the transfer of goods or services to be one year or less.

LivaNova incurs incremental commission fees paid to the sales force associated with the sale of products. LivaNova applies the practical expedient within IFRS 15 and has elected to recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset the entity would otherwise recognise is one year or less. As a result, no commissions have been capitalised as contract costs since adoption of IFRS 15.

The following is a description of the principal activities (separated by reportable segments) from which LivaNova generates its revenue. For more detailed information about LivaNova’s reportable segments, including disaggregated revenue results by major product line and primary geographic markets, see “Note 4. Segment and Geographic Information.”

Cardiopulmonary Products and Services

Cardiopulmonary products include HLMs, oxygenators, autotransfusion systems, perfusion tubing systems, cannulae, and other related accessories.

Cardiopulmonary products may include performance obligations associated with assembly and installation of equipment. Accordingly, LivaNova allocates a portion of the sales prices to installation obligations and recognises that revenue when the service is provided. LivaNova recognises revenue for equipment and accessory product sales when control of the equipment or product passes to the customer.

Technical services include installation, repair, and maintenance of cardiopulmonary equipment under service contracts or upon customer request. Technical service agreements generally provide for upfront payments in advance of rendering services or periodic billing over the contract term. Amounts billed in advance are deferred and recognised as revenue when the performance obligation is satisfied. Technical services are not a significant component of Cardiopulmonary revenue and are presented with the related equipment and accessories revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Revenue Recognition

Neuromodulation Products

Neuromodulation products are comprised of neuromodulation therapy systems for the treatment of DRE and DTD. LivaNova's Neuromodulation product line includes the VNS Therapy System, which consists of an implantable pulse generator, a lead that connects the generator to the vagus nerve, and other accessories. LivaNova recognises revenue for Neuromodulation product sales when control passes to the customer.

Contract Balances

Due to the nature of LivaNova's products and services, revenue producing activities may result in contract assets and contract liabilities. These activities relate primarily to Cardiopulmonary technical services contracts for short-term and multi-year service agreements. Contract assets are primarily comprised of unbilled revenues, which occur when a performance obligation has been completed, but not billed to the customer. Contract liabilities are made up of deferred revenue, which occurs when a customer pays for a service before a performance obligation has been completed. Contract assets are included within other receivables on the consolidated balance sheet and were insignificant as of 31 December 2025 and 2024. As of 31 December 2025 and 2024, contract liabilities of \$17.9 million and \$14.7 million, respectively, were included within current and long-term other liabilities and long-term provisions on LivaNova's consolidated balance sheet. During the years ended 31 December 2025 and 2024, net revenue that was included in the contract liability balance at the beginning of the period was \$14.7 million and \$14.2 million, respectively. During the years ended 31 December 2025 and 2024, there was no revenue recognised that related to performance obligations satisfied in previous periods.

Note 4. Segment and Geographic Information

Segment Information

LivaNova identifies operating segments based on how it manages, evaluates, and internally reports its business activities to allocate resources, develop and execute its strategy, and assess performance. LivaNova has two reportable segments: Cardiopulmonary and Neuromodulation. There were no transactions between reportable segments during 2025 and 2024.

LivaNova's Cardiopulmonary segment is engaged in the design, development, manufacture, marketing, and sale of cardiopulmonary products, including HLMs, oxygenators, autotransfusion systems, perfusion tubing systems, cannulae, and other related accessories, and provides services related to certain of these products.

LivaNova's Neuromodulation segment is engaged in the design, development, manufacture, marketing, and sale of devices that deliver neuromodulation therapy for treating DRE and DTD. Neuromodulation products include the VNS Therapy System, which consists of an implantable pulse generator, a lead that connects the generator to the vagus nerve, and other accessories. It also includes the development and management of testing of devices for treating OSA.

LivaNova defines segment income as operating income before other operating expense. LivaNova's Chief Operating Decision Maker is the Company's CEO, who is regularly provided the results comprising segment income to make strategic business decisions, including, but not limited to, evaluation of the Company's business portfolio, R&D investment decisions, and consideration of the Company's organisational structure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Segment and Geographic Information

LivaNova operates under three geographic regions: United States, Europe, and Rest of World. The table below presents net revenue by operating segment and geographic region (in thousands):

	2025	2024
Cardiopulmonary		
United States	\$ 275,859	\$ 242,463
Europe ⁽¹⁾	201,044	168,024
Rest of World ⁽¹⁾	308,482	273,025
	<u>785,385</u>	<u>683,512</u>
Neuromodulation		
United States	463,602	441,022
Europe ⁽¹⁾	65,023	54,899
Rest of World ⁽¹⁾	64,187	58,302
	<u>592,812</u>	<u>554,223</u>
Other Revenue ⁽²⁾	9,856	15,702
Totals ⁽³⁾⁽⁴⁾		
United States	739,573	695,083
Europe ⁽¹⁾	269,176	220,032
Rest of World ⁽¹⁾	379,304	338,322
	<u>\$ 1,388,053</u>	<u>\$ 1,253,437</u>

⁽¹⁾ “Europe” includes the UK, Germany, France, Italy, the Netherlands, Spain, Belgium, Poland, Sweden, Switzerland, Austria, Norway, Portugal, Finland, and Denmark. Excluding Europe and the U.S., “Rest of World” includes all other countries where LivaNova operates.

⁽²⁾ “Other Revenue” includes rental and site services income not allocated to segments.

⁽³⁾ Net revenue to external customers includes \$55.9 million and \$48.9 million in the UK, LivaNova’s country of domicile, for the years ended 31 December 2025 and 2024, respectively.

⁽⁴⁾ No single customer represented over 10% of the Company’s consolidated net revenue. No country’s net revenue exceeded 10% of the Company’s consolidated revenue except for the United States.

The following table presents a reconciliation of segment income to operating income (in thousands):

	2025	2024
Cardiopulmonary	\$ 97,124	\$ 81,552
Neuromodulation	214,528	194,770
Segment income	311,652	276,322
Other income/(expense) ⁽¹⁾	(122,200)	(138,716)
Operating income	<u>\$ 189,452</u>	<u>\$ 137,606</u>

⁽¹⁾ Other income/(expense) includes items of corporate income and (expense) not allocated to segments, as well as other operating expense.

The following table presents the components of segment income, including significant expenses, of LivaNova’s reportable segments (in thousands):

	Cardiopulmonary		Neuromodulation	
	2025	2024 Restated ⁽¹⁾	2025	2024
Net revenue	\$ 785,385	\$ 683,512	\$ 592,812	\$ 554,223
Less:				
Cost of sales	(387,574)	(340,028)	(56,691)	(50,748)
Selling, general, and administrative	(235,013)	(209,090)	(202,741)	(187,700)
Research and development	(65,674)	(52,842)	(118,852)	(121,005)
Segment income	<u>\$ 97,124</u>	<u>\$ 81,552</u>	<u>\$ 214,528</u>	<u>\$ 194,770</u>

⁽¹⁾ Cardiopulmonary cost of sales and selling, general, and administrative expense for the year ended 31 December 2024 have been restated. For further details, refer to “Note 24. Restatement of Previously Issued Financial Statements.”

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Segment and Geographic Information

The following table presents capital expenditures for tangible assets of PP&E, and software intangible assets by operating segment (in thousands):

	2025	2024
Cardiopulmonary	\$ 44,506	\$ 28,089
Neuromodulation	15,834	4,244
Other capital expenditures ⁽¹⁾	23,863	17,621
	<u>\$ 84,203</u>	<u>\$ 49,954</u>

⁽¹⁾ “Other capital expenditures” primarily include corporate capital expenditures not allocated to segments.

Geographic Information

The following table presents non-current assets, net of accumulated depreciation, amortisation and impairment, by primary geographic market. Non-current assets for this purpose consist of PP&E, intangible assets, goodwill, and ROU assets (in thousands):

	31 December	
	2025	2024
United States	\$ 540,955	\$ 528,561
Europe	394,551	331,603
Rest of World	54,754	40,169
	<u>\$ 990,260</u>	<u>\$ 900,333</u>

Note 5. Operating Income by Nature

The following table presents components of operating income by nature (in thousands):

	2025	2024
Net revenue	\$ 1,388,053	\$ 1,253,437
Cost of materials, service used, and change in inventory	(588,245)	(525,272)
Personnel expense	(515,834)	(478,632)
Other operating costs	(16,922)	(23,528)
Amortisation of intangibles	(26,025)	(23,558)
Adjustments to provisions	(20,312)	(36,330)
Depreciation of PP&E	(20,029)	(18,758)
Depreciation of ROU assets	(11,234)	(9,753)
	<u>\$ 189,452</u>	<u>\$ 137,606</u>

Note 6. Finance Expense

The following table presents the items included within finance expense on the consolidated statement of income (loss) (in thousands):

	2025	2024
Interest expense	\$ (52,048)	\$ (65,563)
Fair value loss - 2029 Embedded Derivative	(32,085)	—
Fair value loss - Investments	(4,734)	(5,750)
Foreign exchange rate loss	(2,743)	(4,881)
Loss on debt extinguishment	(2,651)	(26,148)
Fair value loss - 2025 Capped Calls	(2,624)	(13,348)
Fair value loss - 2029 Capped Calls	—	(7,902)
	<u>\$ (96,885)</u>	<u>\$ (123,592)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Finance Income

Note 7. Finance Income

The following table presents the items included within finance income on the consolidated statement of income (loss) (in thousands):

	2025	2024
Interest income	\$ 18,982	\$ 30,075
Fair value gain - 2029 Capped Calls	12,816	—
Gain on sale of asset	4,128	—
Fair value gain - 2025 Embedded Derivative	2,915	5,739
Fair value gain - 2029 Embedded Derivative	—	35,638
Fair value gain - Investment	—	7,144
Other	1,574	1,518
	<u>\$ 40,415</u>	<u>\$ 80,114</u>

Note 8. Restructuring

From time to time, LivaNova initiates restructuring plans to leverage economies of scale, streamline distribution and logistics, and strengthen operational and administrative effectiveness to reduce overall costs. A restructuring provision is recorded when a plan is approved and communicated to employees.

On 5 January 2024, the Board approved the 2024 Restructuring Plan to enhance the Company's focus on its core Cardiopulmonary and Neuromodulation segments. The main component of the 2024 Restructuring Plan was to wind down the former ACS segment. As of 31 December 2025, the 2024 Restructuring Plan was complete. LivaNova incurred pre-tax restructuring charges of \$13.2 million related to this plan, primarily comprised of severance expenses and retention bonuses. Minimal residual activities and expenses are expected, though estimates remain subject to change.

The following table presents a reconciliation of the accruals and other reserves recorded in connection with LivaNova's restructuring plans included within current and long-term provisions on the consolidated balance sheet (in thousands):

	Employee Severance and Other Termination Costs	Other	Total
1 January 2024	\$ 911	\$ —	\$ 911
Charges	10,569	2,787	13,356 ⁽¹⁾
Cash payments	(9,441)	(2,222)	(11,663)
31 December 2024	2,039	565	2,604 ⁽²⁾
Charges	(401)	224	(177) ⁽¹⁾
Cash payments	(1,638)	(789)	(2,427)
31 December 2025	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

⁽¹⁾ Charges represents restructuring expense (credit), which is included within other operating expense in the consolidated statement of income (loss), and is not allocated to segments.

⁽²⁾ The restructuring plans' liabilities are recorded in the consolidated balance sheet as \$2.0 million within current and long-term provisions, and \$0.6 million within current other liabilities as of 31 December 2024.

Note 9. Employee Compensation Costs

The following table presents employee compensation costs (in thousands):

	2025	2024
Wages and salaries	\$ 326,876	\$ 321,671
Social security costs	36,553	26,377
Pension costs	23,753	19,762
Share-based payments ⁽¹⁾	38,455	36,842
Other employee costs ⁽²⁾	90,197	73,980
	<u>\$ 515,834</u>	<u>\$ 478,632</u>

⁽¹⁾ Represents share-based payments included in personnel expense. Refer to "Note 28. Share-Based Plans" for total share-based compensation expense.

⁽²⁾ Other employee costs primarily includes insurance, taxes, and benefits costs, as well as fair value adjustments associated with LivaNova's contingent consideration arrangements. For additional information, refer to "Note 11. Fair Value Measurements."

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Employee Compensation Costs

The following table presents the monthly average number of employees by geographic region:

	2025	2024
Europe	1,604	1,474
U.S.	1,241	1,129
Rest of World	394	356
	<u>3,239</u>	<u>2,959</u>

Note 10. Taxation

The following table presents the composition of income tax expense (in thousands):

	2025	2024
Current Tax:		
Charge in respect of current period	\$ (19,444)	\$ (16,767)
Charge in respect of prior period	(2,487)	(2,645)
	<u>(21,931)</u>	<u>(19,412)</u>
Deferred Tax:		
Relating to the origination and reversal of temporary differences	4,738	(3,725)
Relating to changes in tax rates and legislation	22	16
	<u>4,760</u>	<u>(3,709)</u>
	<u>\$ (17,171)</u>	<u>\$ (23,121)</u>

The following table presents a reconciliation of the statutory income tax rate to LivaNova's effective income tax rate expressed as a percentage of income (loss) before income tax:

	2025	2024
Statutory tax rate at UK rate	25.0 %	25.0 %
Change in unrecognised deferred tax assets	(12.3)	4.8
Foreign tax rate differential	1.9	(0.7)
U.S. state and local tax provision, net of federal benefit	2.7	(0.4)
Investments and impairments charge	1.4	(0.7)
Research and development tax credits	(2.7)	1.5
Foreign-derived intangible income deduction	(1.2)	—
SNIA environmental liability ⁽¹⁾	(0.7)	(34.4)
Other, net	(0.5)	(4.3)
Effective tax rate	<u>13.6 %</u>	<u>(9.2)%</u>

⁽¹⁾ During the year ended 31 December 2024, the SNIA environmental liability decreased the tax rate by 34.4%. For additional information, refer to "Note 26. Commitments and Contingencies."

LivaNova PLC is resident in the UK for tax purposes. LivaNova's subsidiaries conduct operations and earn income in numerous countries and are subject to the laws of taxing jurisdictions within those countries, and the income tax rates imposed in the tax jurisdictions in which LivaNova's subsidiaries conduct operations vary. As a result of the changes in the overall level of the Company's income, the earnings mix in various jurisdictions, and the changes in tax laws, LivaNova's consolidated effective income tax rate may vary from one reporting period to another.

LivaNova is subject to income taxes as well as non-income-based taxes in the U.S., the UK, the EU, and various other jurisdictions. LivaNova continues to monitor the adoption of Pillar Two by the taxing jurisdictions in which it operates. The UK has enacted legislation providing for a minimum effective tax rate of 15% through a multinational top-up tax and a domestic top-up tax for accounting periods beginning on or after 31 December 2023. Since LivaNova does not have significant operations in jurisdictions with tax rates below 15%, Pillar Two did not have a material impact on the effective rate for 2025. LivaNova will continue to monitor legislative developments and related guidance in the UK and other jurisdictions that may impact LivaNova's operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Taxation

Deferred Tax Assets and Liabilities

The following table presents the change in net deferred tax assets (liabilities) as recognised in the balance sheet (in thousands):

	2025	2024
At the beginning of the year	\$ 100,849	\$ 104,278
Deferred tax credit (expense), net	4,760	(3,709)
Deferred tax recorded in equity and reclasses	3,292	280
At the end of the year	<u>\$ 108,901</u>	<u>\$ 100,849</u>

Deferred tax assets and liabilities on a gross basis are summarised as follows (in thousands):

	Activity During the Year				31 December 2025
	1 January 2025	Profit or (Loss)	Other Movement	Shareholders' Equity	
Deferred tax assets:					
NOLs	\$ 87,804	\$ 768	\$ —	\$ 693	\$ 89,265
Tax credit carryforwards	509	98	—	43	650
Deferred compensation	882	2,289	—	164	3,335
Accruals and reserves	34,831	(3,812)	—	2,515	33,534
Inventory	7,371	981	—	534	8,886
Gross deferred tax assets	<u>131,397</u>	<u>324</u>	<u>—</u>	<u>3,949</u>	<u>135,670</u>
Deferred tax liabilities:					
Property, equipment, and intangible assets	(22,531)	(1,628)	—	(2,307)	(26,466)
Other	(8,017)	6,064	2,685	(1,035)	(303)
Gross deferred tax liabilities	<u>(30,548)</u>	<u>4,436</u>	<u>2,685</u>	<u>(3,342)</u>	<u>(26,769)</u>
Deferred tax assets, net	<u>\$ 100,849</u>	<u>\$ 4,760</u>	<u>\$ 2,685</u>	<u>\$ 607</u>	<u>\$ 108,901</u>

Reported in the consolidated balance sheet (after jurisdictional netting):

Net deferred tax assets	\$ 107,936	\$ 114,743
Deferred tax liabilities	(7,087)	(5,842)
Deferred tax assets, net	<u>\$ 100,849</u>	<u>\$ 108,901</u>

LivaNova periodically assesses the recoverability of the Company's deferred tax assets by considering whether it is probable that some or all of the actual benefit of those assets will be realised. To the extent that realisation does not meet the "probable" criterion, the Company does not recognise a deferred tax asset. LivaNova periodically reviews the adequacy and necessity of unrecognised deferred tax assets by considering significant positive and negative evidence relative to the Company's ability to recover deferred tax assets and to determine the timing and amount of the unrecognised deferred tax assets that should be released. This evidence includes: profitability in the most recent quarters; internal forecast profitability and expected utilisation period; size of deferred tax asset relative to estimated profitability; the potential effects on future profitability from increasing competition, healthcare reforms, and overall economic conditions; limitations and potential limitations on the use of LivaNova's NOLs due to ownership changes; and the implementation of prudent and feasible tax planning strategies, if any.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Net Operating Loss Carryforwards

LivaNova had the following NOLs as of 31 December 2025 which can be used to reduce LivaNova's income tax payable in future years (in thousands):

Region	Gross Amount	Tax Effected Amount Without Expiration	Tax Effected Amount With Expiration	Starting Expiration Year
Europe	\$ 369,432	\$ 92,358	\$ —	Unlimited
U.S. Federal	15,363	—	3,226	2028
U.S. State	307,195	648	13,847	2026
Rest of World	18,716	5,353	78	2030

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Taxation

LivaNova had the following NOLs as of 31 December 2024 which can be used to reduce the Company's income tax payable in future years (in thousands):

Region	Gross Amount	Tax Effected Amount Without Expiration	Tax Effected Amount With Expiration	Starting Expiration Year
Europe	\$ 384,514	\$ 96,128	\$ —	Unlimited
U.S. Federal	29,563	—	6,208	2028
U.S. State	106,042	2,813	5,112	2025
Rest of World	15,357	4,303	114	2025

Included in the table above are deferred tax assets that have not been recognised with respect of the following items (in thousands):

	31 December	
	2025	2024
Tax loss carryforwards	\$ 26,000	\$ 26,875
Tax credits	11,772	27,292
Accruals and reserves	87,870	88,024
Other deferred tax assets ⁽¹⁾	3,221	39,458
	<u>\$ 128,863</u>	<u>\$ 181,649</u>

⁽¹⁾ Other deferred tax assets include property, equipment, intangible assets, inventory, and other items.

For losses incurred after April 2017 in the UK, recovery of these operating loss carryforwards began in 2025. The Company is relying on estimated future income projections and judgement on the growth of the projected income for the recoverability of the deferred tax assets corresponding to the NOLs.

No provision has been made for income taxes on undistributed earnings of foreign subsidiaries as of 31 December 2025 because it is the Company's intention to indefinitely reinvest undistributed earnings of the Company's foreign subsidiaries. In the event of the distribution of those earnings in the form of dividends, a sale of the subsidiaries, or certain other transactions, the Company may be liable for income taxes. There should be no material tax liability on future distributions as most jurisdictions with undistributed earnings have various participation exemptions/no withholding tax. These unrecognised differences are not expected to reverse in the foreseeable future.

Uncertain Tax Positions

Tax authorities may disagree with certain positions the Company has taken and assess additional taxes. The Company regularly assesses the likely outcomes of LivaNova's tax positions in order to determine the appropriateness of the Company's reserves for uncertain tax positions. However, there can be no assurance that LivaNova will accurately predict the outcome of these audits, and the actual outcome of an audit could have a material impact on the Company's consolidated results of income, financial position, or cash flows.

The following table presents the components of LivaNova's total unrecognised tax benefit (in thousands):

	31 December	
	2025	2024
Recorded as liability	\$ 3,164	\$ 1,073
Reduction to deferred tax assets - impacting effective tax rate	—	4,786
Unrecognised deferred tax assets	10,216	9,362

Note 11. Fair Value Measurements

LivaNova reviews its fair value hierarchy classification on an annual basis. Changes in the ability to observe valuation inputs may result in a reclassification of levels for certain securities in the fair value hierarchy. Excluding LivaNova's investment in Ceribell, Inc., as discussed in "Note 14. Financial Assets," there were no transfers between Level 1, Level 2, or Level 3 for the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Fair Value Measurements

Financial Assets and Liabilities That Are Measured at Fair Value on a Recurring Basis

The following tables present the level in the fair value hierarchy at which the Company's assets and liabilities are measured on a recurring basis (in thousands):

31 December 2025	Total	Fair Value Measurements Using Inputs Considered as:		
		Level 1	Level 2	Level 3
Assets				
Investments in equity securities at fair value	\$ 10,476	\$ —	\$ —	\$ 10,476
Investment in convertible notes receivable	3,000	—	—	3,000
Derivative assets – freestanding instruments (FX)	165	—	165	—
Derivative assets – 2029 Capped Calls	36,551	—	—	36,551
	<u>\$ 50,192</u>	<u>\$ —</u>	<u>\$ 165</u>	<u>\$ 50,027</u>

Liabilities				
Derivative liabilities – freestanding instruments (FX)	\$ 99	\$ —	\$ 99	\$ —
Derivative liabilities – 2029 Embedded Derivative	83,904	—	—	83,904
ImThera contingent consideration arrangements	92,075	—	—	92,075
	<u>\$ 176,078</u>	<u>\$ —</u>	<u>\$ 99</u>	<u>\$ 175,979</u>

31 December 2024	Total	Fair Value Measurements Using Inputs Considered as:		
		Level 1	Level 2	Level 3
Assets				
Investments in equity securities at fair value	\$ 21,365	\$ 10,144	\$ —	\$ 11,221
Derivative assets – freestanding instruments (FX)	738	—	738	—
Derivative assets – 2025 Capped Calls	2,624	—	—	2,624
Derivative assets – 2029 Capped Calls	23,735	—	—	23,735
	<u>\$ 48,462</u>	<u>\$ 10,144</u>	<u>\$ 738</u>	<u>\$ 37,580</u>

Liabilities				
Derivative liabilities – 2025 Embedded Derivative	\$ 2,915	\$ —	\$ —	\$ 2,915
Derivative liabilities – 2029 Embedded Derivative	51,819	—	—	51,819
ImThera contingent consideration arrangements	84,218	—	—	84,218
	<u>\$ 138,952</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 138,952</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Fair Value Measurements

LivaNova's financial assets and liabilities classified as Level 3 include investments without readily determinable fair values, embedded and capped call derivative instruments, and contingent consideration liability arrangements. The following table presents a reconciliation of LivaNova's recurring fair value measurements, using significant unobservable inputs (Level 3) (in thousands):

	Investments in Equity Securities at Fair Value	Investment in Convertible Notes Receivable	Derivative Assets - 2025 Capped Calls	Derivative Assets - 2029 Capped Calls	Derivative Liabilities - 2025 Embedded Derivative	Derivative Liabilities - 2029 Embedded Derivative	Contingent Consideration Liability Arrangements
1 January 2024	\$ 19,907	\$ 275	\$ 38,496	\$ —	\$ 45,569	\$ —	\$ 94,652
Additions	—	—	—	31,637	—	87,457	—
Cash receipts	—	—	(22,524)	—	—	—	—
Payment	—	—	—	—	(36,915)	—	(13,750)
Transfer to Level 1	(3,000)	—	—	—	—	—	—
Changes in fair value recognised in profit or loss ⁽¹⁾⁽²⁾	(5,686)	(275)	(13,348)	(7,902)	(5,739)	(35,638)	3,316
31 December 2024	11,221	—	2,624	23,735	2,915	51,819	84,218
Additions	—	3,000	—	—	—	—	—
Changes in fair value recognised in profit or loss ⁽¹⁾⁽²⁾	(745)	—	(2,624)	12,816	(2,915)	32,085	7,857
31 December 2025	10,476	3,000	—	36,551	—	83,904	92,075
Less: Current portion as of 31 December 2025	—	—	—	—	—	—	50,030
Long-term portion as of 31 December 2025	\$ 10,476	\$ 3,000	\$ —	\$ 36,551	\$ —	\$ 83,904	\$ 42,045

(1) For the year ended 31 December 2025, the contingent consideration change in fair value resulted in an increase of \$4.2 million recorded to cost of sales and an increase of \$3.6 million recorded to R&D. During the year ended 31 December 2024, the contingent consideration change in fair value resulted in an increase of \$1.3 million recorded to cost of sales and an increase of \$2.0 million recorded to R&D.

(2) Gains or losses in the fair value of the embedded derivative liabilities and capped call derivative assets are recognised in finance income or finance expense, respectively, in the consolidated statement of income (loss). Refer to "Note 12. Derivative Financial Instruments" for additional information on the changes in fair value as it relates to the embedded and capped call derivatives.

Financial assets at fair value consist of investments in equity shares, convertible preferred shares, and convertible notes receivable of privately held companies for which there are no quoted market prices. These investments fall within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs to determine fair value as the investments are privately held entities without quoted market prices. To determine the fair value of these investments, management used all pertinent financial information available related to the entities, including valuation reports prepared by third parties. Refer to "Note 14. Financial Assets" for a further discussion of the Company's investments.

LivaNova's embedded and capped call derivative instruments are classified as Level 3 as the Company uses historical volatility and implied volatility from actual options traded to determine expected stock price volatility, an unobservable input that is significant to the valuation.

Earnout for contingent payments related to LivaNova's acquisition of ImThera represents the Company's contingent consideration liability as of 31 December 2025. This liability falls within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs to determine fair value as the liability is estimated as the probability of future cash flows, discounted to present value in accordance with accepted valuation methodologies. The discount rate used is determined at the time of measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Fair Value Measurements

Share Price Volatility

The following table presents the share price volatility utilised in determining the fair value of LivaNova's capped call derivative assets and embedded derivative liabilities:

	<u>2025 Capped Calls</u>	<u>2029 Capped Calls</u>	<u>2025 Embedded Derivative</u>	<u>2029 Embedded Derivative</u>
Share Price Volatility ⁽¹⁾				
31 December 2025	N/A	37 %	N/A	37 %
31 December 2024	37 %	35 %	37 %	35 %

⁽¹⁾ In general, an increase in LivaNova's share price or share price volatility would increase the fair value of the embedded and capped call derivatives, which would result in an increase in net expense. As the remaining time to the expiration of the derivatives decreases, the fair value of the derivatives decreases. The future impact of the derivatives on net income (loss) depends on how significant inputs, such as share price, share price volatility, and time to the expiration of the derivatives, change in relation to other inputs.

Contingent Consideration Arrangements

The ImThera business combination involved contingent consideration arrangements comprised of potential cash payments upon the achievement of a certain regulatory milestone and a sales-based earnout associated with sales of products. The sales-based earnouts are valued using projected sales from LivaNova's internal strategic plan. These arrangements are Level 3 fair value measurements and include the following significant unobservable inputs as of 31 December 2025:

<u>ImThera Acquisition</u>	<u>Valuation Technique</u>	<u>Unobservable Input</u>	<u>Ranges</u>
Regulatory milestone-based payment	Discounted cash flow	Discount rate	5.4%
		Probability of payment	85%
		Projected payment year	2026
Sales-based earnout	Monte Carlo simulation	Risk-adjusted discount rate	11.5% - 11.6%
		Credit risk discount rate	5.7% - 6.3%
		Revenue volatility	23.3%
		Probability of payment	85%
		Projected years of earnout	2027 - 2030

Note 12. Derivative Financial Instruments

Due to the global nature of LivaNova's operations, the Company is exposed to FX fluctuations. LivaNova enters into FX derivative contracts to reduce the impact of FX fluctuations on earnings and cash flow.

LivaNova is also exposed to equity price risk in connection with its 2029 Notes, including exchange/conversion and settlement provisions based on the price of its ordinary shares at exchange/conversion or maturity of the 2029 Notes. The Capped Call Transactions associated with the 2029 Notes also include settlement provisions that are based on the price of LivaNova's ordinary shares, subject to a capped price per share.

These derivatives are intended to serve as economic hedges and follow the cash flows of the economic hedged item. LivaNova does not enter into derivative contracts for speculative purposes.

LivaNova had no designated hedging instruments as of 31 December 2025 and 2024.

Freestanding FX Derivative Contracts

LivaNova uses freestanding derivative forward contracts to offset exposure to the variability of the value associated with intercompany loans denominated in a foreign currency. The gross notional amount of freestanding FX derivative contracts outstanding as of 31 December 2025 and 2024 was \$113.2 million and \$442.3 million, respectively. LivaNova recorded net gains of \$25.9 million and \$5.2 million for the years ended 31 December 2025 and 2024, respectively, from freestanding derivatives. These gains amounts are included in finance expense in LivaNova's consolidated statement of income (loss).

Capped Call Derivatives

The Capped Call Transactions are carried on the consolidated balance sheet as a derivative asset at their estimated fair value and are adjusted at the end of each reporting period, with unrealised gain or loss reflected in finance income or finance expense, respectively, in the consolidated statement of income (loss). The Capped Call Transactions are measured at fair value using the Black-Scholes model utilising observable and unobservable market data, including stock price, remaining contractual term,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Derivative Financial Instruments

expected volatility, risk-free interest rate, and expected dividend yield, as applicable. For additional information, refer to “Note 15. Financial Liabilities.”

2029 Capped Calls

In March 2024, LivaNova issued the 2029 Notes. In connection with the pricing of the 2029 Notes, the Company entered into related privately-negotiated capped call transactions with certain financial institutions. Under the 2029 Capped Calls, the Company purchased a capped call option with an initial strike price of \$69.40 and an initial cap price of \$94.28 per share. The strike price, which is subject to certain adjustments, corresponds to the initial conversion price of the 2029 Notes. The 2029 Capped Calls are intended to offset any cash payments and/or cash equivalent value of ordinary shares upon conversion of the 2029 Notes if the market value per ordinary share is greater than the strike price, with such offsets being subject to the initial cap price of \$94.28 per share. However, the proceeds under the 2029 Capped Calls are limited to the initial cap price in the event the Company’s share price exceeds the cap price at the time of conversion. The 2029 Capped Calls expire on 15 March 2029, and must be settled in cash. The 2029 Capped Calls are subject to anti-dilution adjustments substantially similar to those applicable to the 2029 Notes and cover the number of LivaNova’s ordinary shares underlying the 2029 Notes. If the 2029 Capped Calls are terminated early, settlement occurs at their termination value, which is equal to their fair value at the time of the early termination. For transaction costs associated with entering into the 2029 Capped Calls, refer to “Additions” in the “Reconciliation of Level 3 Assets and Liabilities” table within “Note 11. Fair Value Measurements.”

2025 Capped Calls

In June 2020, LivaNova issued the 2025 Notes. In connection with the pricing of the 2025 Notes, the Company entered into related privately-negotiated capped call transactions with certain financial institutions. Under the 2025 Capped Calls, the Company purchased a capped call option with an initial strike price of \$60.98 and an initial cap price of \$100.00 per share. The strike price, subject to certain adjustments, corresponds to the initial exchange price of the 2025 Notes. The 2025 Capped Calls were intended to offset any cash payments upon exchange of the 2025 Notes in excess of the principal amount. In connection with the issuance of the 2029 Notes, the Company repurchased an aggregate principal amount of \$230.0 million of the 2025 Notes and unwound a corresponding portion of the 2025 Capped Calls at the fair value of such portion of the 2025 Capped Calls. The Company received \$22.5 million in cash consideration, the fair value of the terminated portion, upon settlement. The remaining 2025 Capped Calls expired with a fair value of zero on 15 December 2025.

Embedded Derivatives

The 2025 Notes included, and 2029 Notes include terms resulting in a bifurcated embedded derivative. The Embedded Derivatives are measured at fair value using a binomial lattice model and estimated discounted cash flows that utilise observable and unobservable market data and are adjusted at the end of each reporting period, with the unrealised gain or loss reflected in finance income or finance expense, respectively, in the consolidated statement of income (loss). For additional information, refer to “Note 15. Financial Liabilities.”

Balance Sheet Presentation

LivaNova offsets fair value amounts associated with its derivative instruments that are executed with the same counterparty under master netting arrangements on the Company’s consolidated balance sheet. Master netting arrangements include a right to set off or net together purchases and sales of similar products in the settlement process.

The following tables present the fair value and the location of derivative contracts reported on the consolidated balance sheet (in thousands):

31 December 2025	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives Not Designated as Hedging Instruments				
2029 Capped Calls	Long-term derivative financial instruments	\$ 36,551		
2029 Embedded Derivative			Long-term derivative financial instruments	\$ 83,904
FX derivative contracts	Current financial assets	165	Current other liabilities	99
Total derivatives not designated as hedging instruments		<u>\$ 36,716</u>		<u>\$ 84,003</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Derivative Financial Instruments

31 December 2024	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives Not Designated as Hedging Instruments				
2025 Capped Calls	Current financial assets	\$ 2,624		
2029 Capped Calls	Long-term derivative financial instruments	23,735		
2025 Embedded Derivative			Current other liabilities	\$ 2,915
2029 Embedded Derivative			Long-term derivative financial instruments	51,819
FX derivative contracts	Current financial assets	738		
Total derivatives not designated as hedging instruments		\$ 27,097		\$ 54,734

Note 13. Financial Instruments

LivaNova uses various instruments to fund its operating activities, including short- and long-term debt from credit institutions and other lenders and short-term bank loans. LivaNova's other financial instruments consist of trade payables and receivables resulting from operating activities, investments in other companies, assets and liabilities for financial derivatives, and other receivables and payables other than those related to staff, tax authorities, and welfare agencies.

The following tables present the classification of LivaNova's financial instruments (in thousands):

Classification of Financial Instruments at 31 December 2025								
	Classification			Carrying Amount				Fair Value
	Financial Assets/Liabilities at Fair Value Through Profit or Loss	Financial Assets/Liabilities at Fair Value Through OCI	Financial Assets/Liabilities Measured at Amortised Cost	Total	Current Portion	Non-Current Portion		
Assets								
Cash, cash equivalents, and restricted cash	\$ —	\$ —	\$ 635,552	\$ 635,552	\$ 635,552	\$ —	\$ —	\$ 635,552
Trade receivables	—	—	215,985	215,985	215,985	—	—	215,985
Financial derivative assets	36,716	—	—	36,716	165	36,551	—	36,716
Financial assets	10,476	3,000	11,297	24,773	887	23,886	—	24,773
Other assets	—	—	12,095	12,095	—	12,095	—	12,095
	<u>\$ 47,192</u>	<u>\$ 3,000</u>	<u>\$ 874,929</u>	<u>\$ 925,121</u>	<u>\$ 852,589</u>	<u>\$ 72,532</u>	<u>\$ —</u>	<u>\$ 925,121</u>
Liabilities								
Financial liabilities	\$ —	\$ —	\$ 371,033	\$ 371,033	\$ 30,677	\$ 340,356	\$ —	\$ 410,661
Lease liabilities	—	—	62,240	62,240	8,984	53,256	—	62,240
Other liabilities	—	—	78,547	78,547	71,761	6,786	—	78,547
Trade payables	—	—	93,803	93,803	93,803	—	—	93,803
Financial derivative liabilities	84,003	—	—	84,003	99	83,904	—	84,003
Other financial liabilities	—	—	594	594	594	—	—	594
	<u>\$ 84,003</u>	<u>\$ —</u>	<u>\$ 606,217</u>	<u>\$ 690,220</u>	<u>\$ 205,918</u>	<u>\$ 484,302</u>	<u>\$ —</u>	<u>\$ 729,848</u>

Classification of Financial Instruments at 31 December 2024								
	Classification			Carrying Amount				Fair Value
	Financial Assets/Liabilities at Fair Value Through Profit or Loss	Financial Assets/Liabilities Measured at Amortised Cost		Total	Current Portion	Non-Current Portion		
Assets								
Cash, cash equivalents, and restricted cash	\$ —	\$ 723,556	\$ 723,556	\$ 723,556	\$ 723,556	\$ —	\$ —	\$ 723,556
Trade receivables	—	193,158	193,158	193,158	193,158	—	—	193,158
Financial derivative assets	27,097	—	—	27,097	3,362	23,735	—	27,097
Financial assets	21,365	11,072	32,437	32,437	809	31,628	—	32,437
Other assets	—	7,590	7,590	7,590	—	7,590	—	7,590
	<u>\$ 48,462</u>	<u>\$ 935,376</u>	<u>\$ 983,838</u>	<u>\$ 983,838</u>	<u>\$ 920,885</u>	<u>\$ 62,953</u>	<u>\$ —</u>	<u>\$ 983,838</u>
Liabilities								
Financial liabilities	\$ —	\$ 626,849	\$ 626,849	\$ 626,849	\$ 77,339	\$ 549,510	\$ —	\$ 723,053
Lease liabilities	—	49,375	49,375	49,375	9,046	40,329	—	49,375
Other liabilities	—	83,824	83,824	83,824	—	83,824	—	83,824
Trade payables	—	67,081	67,081	67,081	67,081	—	—	67,081
Financial derivative liabilities	51,819	—	51,819	51,819	—	51,819	—	51,819
Other financial liabilities	—	665	665	665	665	—	—	665
	<u>\$ 51,819</u>	<u>\$ 827,794</u>	<u>\$ 879,613</u>	<u>\$ 879,613</u>	<u>\$ 154,131</u>	<u>\$ 725,482</u>	<u>\$ —</u>	<u>\$ 975,817</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 14. Financial Assets

Note 14. Financial Assets

The following table presents the composition of financial assets (in thousands):

	31 December	
	2025	2024
Investments in equity instruments in privately-held companies	\$ 10,476	\$ 21,365
Corporate owned life insurance policies	8,385	7,578
Notes and other receivables ⁽¹⁾	5,912	3,494
Derivative financial instruments ⁽²⁾	36,716	27,097
	<u>\$ 61,489</u>	<u>\$ 59,534</u>

⁽¹⁾ The 2025 amount includes a convertible note receivable from an associate and related party, Cadence Neuroscience, Inc., with an initial principal amount of \$3.0 million and accounted for at fair value through OCI.

⁽²⁾ For additional information, refer to “Note 12. Derivative Financial Instruments.”

The following table presents LivaNova’s financial assets of investments in equity instruments (in thousands):

	31 December	
	2025	2024
Investments without readily determinable fair values	\$ 10,476	\$ 10,144
Investment with readily determinable fair value ⁽¹⁾	—	11,221
	<u>\$ 10,476</u>	<u>\$ 21,365</u>

⁽¹⁾ On 10 October 2024, Ceribell, Inc. (Nasdaq: CBILL) announced its initial public offering and began trading on 11 October 2024. Per the amended Articles of Incorporation, LivaNova’s Series B Preferred shares converted to common stock upon the offering. As a result, LivaNova’s investment in Ceribell, Inc. was classified as an investment with readily determinable fair value and measured on a recurring basis (Level 1) (previously Level 3 with fair value measured on a nonrecurring basis). As of 31 December 2024, LivaNova held 391,952 common shares. During 2025, LivaNova liquidated its investment in Ceribell, Inc. in a series of transactions with an average sales price of \$16.69 per common share, resulting in net proceeds of \$6.5 million from an initial investment in 2018 of \$3.0 million.

As of 31 December 2025, LivaNova has committed capital to venture capital investment funds totalling \$20.8 million, of which \$13.5 million remains callable through 2031. The aggregate carrying amount of these funds was \$6.8 million and \$3.7 million as of 31 December 2025 and 2024, respectively.

The following table presents a reconciliation of cash, cash equivalents, and restricted cash reported on the consolidated balance sheet that sum to the total of the amounts shown on the consolidated statement of cash flows (in thousands):

	31 December	
	2025	2024
Cash and cash equivalents	\$ 635,552	\$ 428,858
Restricted cash	—	294,698
Cash, cash equivalents, and restricted cash	<u>\$ 635,552</u>	<u>\$ 723,556</u>

On 31 March 2025, as a result of the decision by the Italian Supreme Court, the SNIA Litigation Guarantee was terminated, and the restriction to the cash deposit held as collateral was released. For additional information regarding the SNIA litigation, refer to “Note 26. Commitments and Contingencies.”

Note 15. Financial Liabilities

The following table presents a summary of LivaNova’s long-term debt obligations (in thousands, except interest rates):

	31 December		Maturity	Interest Rate
	2025	2024		
Term Facilities	\$ 95,063	\$ 313,014	July 2027	7.93%
2029 Notes	275,599	258,043	March 2029	2.50%
2025 Notes	—	53,887	December 2025	3.00%
Other	371	1,905		
Total long-term debt	<u>371,033</u>	<u>626,849</u>		
Less: Current portion of long-term debt	30,677	77,339		
Total long-term debt obligations	<u>\$ 340,356</u>	<u>\$ 549,510</u>		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 15. Financial Liabilities

The following tables present the movements associated with the outstanding principal amounts of LivaNova's long-term debt obligations (in thousands):

2025	Beginning of Year	Principal Repayments	Loss on Debt Extinguishment ⁽¹⁾	Amortisation of Prepaid Loan Fees	FX - Translation and Other	End of Year
Term Facilities	\$ 313,014	\$ (221,875)	\$ 2,651	\$ 1,273	\$ —	\$ 95,063
2029 Notes	258,043	—	—	17,556	—	275,599
2025 Notes	53,887	(57,500)	—	3,613	—	—
Other	1,905	(1,552)	—	—	18	371
	<u>\$ 626,849</u>	<u>\$ (280,927)</u>	<u>\$ 2,651</u>	<u>\$ 22,442</u>	<u>\$ 18</u>	<u>\$ 371,033</u>

⁽¹⁾ Loss on debt extinguishment represents the unamortised debt discount and issuance costs associated with the repurchased 2025 Notes. For additional information, refer to "2029 Notes Issuance and 2025 Notes Repurchase Transactions" below.

2024	Beginning of Year	Net Borrowings	Principal Repayments	Loss on Debt Extinguishment	Amortisation of Prepaid Loan Fees	FX - Translation and Other	End of Year
Term Facilities	\$ 328,459	\$ —	\$ (17,500)	\$ —	\$ 2,055	\$ —	\$ 313,014
2029 Notes	—	244,913	—	—	13,130	—	258,043
2025 Notes	255,500	—	(230,000)	22,103	6,284	—	53,887
Other	2,042	—	—	—	—	(137)	1,905
	<u>\$ 586,001</u>	<u>\$ 244,913</u>	<u>\$ (247,500)</u>	<u>\$ 22,103</u>	<u>\$ 21,469</u>	<u>\$ (137)</u>	<u>\$ 626,849</u>

EIR finance expense associated with LivaNova's financial liabilities was \$47.1 million and \$61.8 million for the years ended 31 December 2025 and 2024, respectively.

Revolving Credit and Term Facilities

The outstanding principal amount of LivaNova's short-term unsecured revolving credit agreements and other agreements with various banks was \$0.6 million and \$0.7 million as of 31 December 2025 and 2024, respectively, with an average interest rate of 5.33% and loan terms ranging from overnight to 364 days as of 31 December 2025.

On 8 March 2024, LivaNova and LivaNova USA entered into Incremental Facility Amendment No. 3, which provides for LivaNova USA to obtain revolving commitments in an aggregate principal amount of \$225.0 million. The \$225.0 million revolving facility is subject to the terms and conditions of the 2021 First Lien Credit Agreement, as amended thereof. The revolving facility is available for working capital and other general corporate purposes and, if drawn, can be repaid at any time without premium or penalty. The \$225.0 million revolving facility matures on 8 March 2029. There were no outstanding borrowings under the revolving facilities under the 2021 First Lien Credit Agreement as of 31 December 2025 and 2024.

The 2021 First Lien Credit Agreement, as amended, also requires the payment of certain commitment fees on the unused portion of the commitments, at a variable percentage based on LivaNova's Total Net Leverage Ratio. As of 31 December 2025 and 2024, the applicable commitment fee percentage was 0.25% per annum and 0.5% per annum, respectively.

On 6 July 2022, LivaNova and its wholly-owned subsidiary, LivaNova USA, entered into Incremental Facility Amendment No. 2, which provides for LivaNova USA to, among other things, obtain commitments for term loan facilities from a syndicate of lenders in an aggregate principal amount of \$350 million consisting of (i) the Initial Term Facility with an aggregate principal amount of \$300 million and (ii) the Delayed Draw Term Facility with an additional aggregate principal amount of \$50 million. On 6 April 2023, LivaNova drew \$50 million under the Delayed Draw Term Facility for general corporate purposes.

The Term Facilities have a maturity of five years. The Term Facilities bear interest at a rate equal to an adjusted term SOFR plus a variable margin based on the Company's consolidated total net leverage ratio. As of 31 December 2025, the applicable margin over adjusted term SOFR was equal to 3.00% per annum. The Term Facilities are subject to an original issue discount of 1.5% of their principal amount. The Term Facilities are subject to quarterly principal repayment, based on the following amortisation schedule: (i) during the first year from the initial funding date: 1.9%; (ii) year two: 5.0%; (iii) year three: 5.0%; (iv) year four: 7.5%; and (v) year five: 10.0%, with the remainder to be paid at maturity. The EIR of the Term Facilities as of 31 December 2025 was 7.04%.

The 2021 First Lien Credit Agreement, as amended, contains customary representations, warranties, and covenants, including the requirement to maintain a Senior Secured First Lien Net Leverage Ratio of not more than 3.50 to 1.00, calculated as the ratio of Consolidated Senior Secured First Lien Net Indebtedness to Consolidated EBITDA, as defined in the credit agreement, for the period of four consecutive fiscal quarters ended on the calculation date and an Interest Coverage Ratio of not less than 2.00 to 1.00, calculated as the ratio of Consolidated EBITDA to Consolidated Interest Expense, both as defined in the credit agreement, for the period of four consecutive fiscal quarters ended on the calculation date. As of 31 December 2025, the Company was in compliance with the financial covenants contained in the 2021 First Lien Credit Agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 15. Financial Liabilities

On 2 May 2025, LivaNova made an early repayment of \$200 million on principal borrowings under the Term Facilities. The early repayment resulted in the recognition of a loss on debt extinguishment of \$2.7 million for the year ended 31 December 2025, associated with the write-off of unamortised debt issuance costs, and is included within finance expense on the consolidated statement of income (loss). On 8 January 2026, LivaNova paid \$97.7 million in an early repayment of the amount outstanding under the Term Facilities in full, along with accrued interest.

Debt discount and issuance costs related to the Initial Term Facility were \$9.6 million. The unamortised debt discount and issuance costs related to the Initial Term Facility were \$0.9 million and \$4.8 million as of 31 December 2025 and 2024, respectively.

2029 Notes Issuance and 2025 Notes Repurchase Transactions

On 8 March 2024, LivaNova issued \$345.0 million aggregate principal amount of 2.50% notes due 2029 by private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act, which included exercise in full of the initial purchasers' option to purchase up to an additional \$45.0 million principal amount of the 2029 Notes. The 2029 Notes are senior unsecured obligations of the Company. The Company used part of the proceeds from the issuance of the 2029 Notes to repurchase \$230.0 million aggregate principal amount of the 2025 Notes in privately-negotiated transactions for an aggregate cash repurchase consideration of \$270.5 million.

The 2025 Notes Repurchase Transaction was treated as a debt extinguishment. The carrying value of the related 2025 Notes, which included the unamortised debt discount and issuance costs and the fair value of the embedded derivative, was derecognised, and the 2029 Notes issued were recognised at fair value. The difference between the consideration used to extinguish the 2025 Notes, the carrying value of the 2025 Notes, and the fair value of the embedded derivative was recognised as a loss on debt extinguishment of \$26.1 million within finance expense in LivaNova's consolidated statement of income (loss) during the year ended 31 December 2024. Third-party costs incurred directly related to the 2025 Notes Repurchase Transaction were deferred and capitalised as additional debt issuance costs to be amortised on the 2029 Notes.

Contemporaneously with the 2025 Notes Repurchase Transaction, the Company and the financial institutions party to the 2025 Capped Calls agreed to terminate a portion of the 2025 Capped Calls in a notional amount corresponding to the amount of 2025 Notes repurchased. The Company received \$22.5 million in cash consideration, the fair value of the terminated portion, upon settlement. For additional information on LivaNova's embedded and capped call derivative instruments, refer to "Note 12. Derivative Financial Instruments."

2029 Notes

The sale of the 2029 Notes resulted in \$332.1 million in net proceeds to the Company after deducting issuance costs. Interest is payable semiannually in arrears on 15 March and 15 September of each year. The EIR of the 2029 Notes was 9.84% as of 31 December 2025. The 2029 Notes mature on 15 March 2029, unless earlier repurchased, redeemed, or converted.

Debt discount and issuance costs related to the 2029 Notes were \$100.1 million, including \$87.5 million of discount attributable to the embedded derivative and \$12.6 million of new debt issuance costs related to the 2029 Notes. The debt discount and issuance costs are amortised as finance expense using the effective interest method over the term of the 2029 Notes. The unamortised debt discount and issuance costs related to the 2029 Notes as of 31 December 2025 and 2024 were \$69.4 million and \$87.0 million, respectively.

Holder are entitled to convert the 2029 Notes at any time during specified periods, at their option, subject to certain conditions. This includes the right to convert the 2029 Notes during any calendar quarter if the last reported sale price of LivaNova's ordinary shares is greater than or equal to 130% of the conversion price, or \$90.22 per share, for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter. The initial conversion rate for the 2029 Notes is 14.4085 ordinary shares per \$1,000 principal amount of 2029 Notes (equivalent to an initial conversion price of \$69.40 per share). The conversion rate is subject to adjustment in certain circumstances, as set forth in the indenture governing the 2029 Notes. As of 31 December 2025, the conditions for conversion were not met. As a result, the Company included its obligations from the 2029 Notes and the associated embedded derivative as long-term liabilities on the consolidated balance sheet as of 31 December 2025.

Upon any conversion of the 2029 Notes, LivaNova will be required to pay cash up to the aggregate principal amount of the 2029 Notes to be converted and may elect to settle the conversion obligation in excess of the aggregate principal amount of the 2029 Notes being converted in cash, shares, or a combination of the two.

On or after 15 December 2028, holders may convert their 2029 Notes at their option at any time until the close of business on the second Scheduled Trading Day (as defined in the indenture governing the 2029 Notes) immediately preceding the maturity date.

The Company may redeem the 2029 Notes, in whole or in part, at its option on or after 22 March 2027 for cash if the last reported sale price of LivaNova's ordinary share has been at least 130% of the conversion price, or \$90.22 per share, then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 15. Financial Liabilities

such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption. Additionally, the Company may redeem the 2029 Notes at its option, prior to the stated maturity, in whole but not in part, in connection with certain tax-related events.

Holders may require the Company to repurchase their 2029 Notes upon the occurrence of a Fundamental Change (as defined in the indenture governing the 2029 Notes) at a repurchase price equal to the principal amount thereof plus accrued and unpaid interest to, but excluding, the repurchase date. In addition, in connection with certain corporate events or if the Company issues a notice of redemption, the Company will, under certain circumstances, increase the conversion rate for holders who elect to convert their 2029 Notes in connection with such corporate event or during the relevant redemption period.

The indenture governing the 2029 Notes contains customary terms and covenants, including that upon certain events of default occurring and continuing, either the Trustee (as defined in the indenture governing the 2029 Notes) or holders of at least 25% in aggregate principal amount of the 2029 Notes then outstanding may declare the entire principal amount of all the 2029 Notes, and accrued and unpaid interest on such 2029 Notes, to be immediately due and payable. Upon events of default in connection with specified bankruptcy events involving the Company, the 2029 Notes will become due and payable immediately.

2025 Notes

On 17 June 2020, LivaNova USA issued \$287.5 million aggregate principal amount of 3.00% notes due 2025 by private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The 2025 Notes were senior unsecured obligations of the Company. The sale of the 2025 Notes resulted in \$278.0 million in net proceeds to the Company after deducting issuance costs. Interest was payable semiannually in arrears on 15 June and 15 December of each year. On 8 March 2024, in connection with the issuance of the 2029 Notes, the Company used part of the net proceeds to repurchase \$230.0 million aggregate principal amount of the 2025 Notes in privately-negotiated transactions. For additional information, refer to “2029 Notes Issuance and 2025 Notes Repurchase Transactions” above. On 15 December 2025, LivaNova repaid the 2025 Notes in full upon maturity, along with accrued interest.

Debt discount and issuance costs related to the 2025 Notes were \$82.0 million, including \$75.0 million of discount attributable to the embedded derivative and \$7.0 million of allocated issuance costs to the 2025 Notes related to legal, bank, and accounting fees. The debt discount and issuance costs were amortised as finance expense using the effective interest method over the term of the 2025 Notes. Upon the closing of the 2025 Notes Repurchase Transaction in March 2024, the remaining unamortised debt discount and issuance costs related to the 2025 Notes were \$5.8 million. The unamortised debt discount and issuance costs related to the 2025 Notes as of 31 December 2024 were \$3.6 million.

Note 16. Property, Plant, and Equipment

The following table presents the composition of PP&E (in thousands):

	Land	Buildings and Building Improvements	Equipment, Other, Furniture, Fixtures	Capital Investment in Process	Total
31 December 2025					
Gross amount	\$ 13,631	\$ 98,859	\$ 219,131	\$ 24,071	\$ 355,692
Accumulated depreciation and impairment	—	(41,991)	(153,524)	—	(195,515)
	<u>\$ 13,631</u>	<u>\$ 56,868</u>	<u>\$ 65,607</u>	<u>\$ 24,071</u>	<u>\$ 160,177</u>
31 December 2024					
Gross amount	\$ 12,097	\$ 87,741	\$ 185,420	\$ 14,994	\$ 300,252
Accumulated depreciation and impairment	—	(34,371)	(133,577)	—	(167,948)
	<u>\$ 12,097</u>	<u>\$ 53,370</u>	<u>\$ 51,843</u>	<u>\$ 14,994</u>	<u>\$ 132,304</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 16. Property, Plant, and Equipment

The following table presents the changes in the net amount of each category of PP&E (in thousands):

	Land	Buildings and Building Improvements	Equipment, Other, Furniture, Fixtures	Capital Investment in Process	Total
1 January 2024	\$ 14,902	\$ 53,437	\$ 56,678	\$ 7,830	\$ 132,847
Additions	—	880	7,215	18,620	26,715
Disposals	—	(54)	(827)	(218)	(1,099)
Depreciation	—	(4,714)	(14,044)	—	(18,758)
Currency translation loss	(486)	(1,569)	(2,517)	(510)	(5,082)
Assets held for sale	(2,319)	—	—	—	(2,319)
Reclassifications	—	5,390	5,338	(10,728)	—
31 December 2024	12,097	53,370	51,843	14,994	132,304
Additions	581	1,821	8,651	28,849	39,902
Disposals	—	(91)	(840)	(1,476)	(2,407)
Depreciation	—	(5,002)	(15,027)	—	(20,029)
Currency translation gain	953	3,321	4,352	1,781	10,407
Reclassifications	—	3,449	16,628	(20,077)	—
31 December 2025	\$ 13,631	\$ 56,868	\$ 65,607	\$ 24,071	\$ 160,177

Note 17. Goodwill and Intangible Assets

The following table presents the composition of goodwill and intangible assets, net (in thousands):

	Goodwill	Intangible Assets					Software	Total
		Developed Technology	Customer Relationships	Trade Names	IPR&D	Other Intangible Assets		
31 December 2025								
Gross amount	\$ 465,169	\$ 108,907	\$ 190,850	\$ 14,076	\$ 112,000	\$ 1,038	\$ 120,925	\$ 547,796
Accumulated amortisation and impairment	—	(74,263)	(107,785)	(14,076)	—	(783)	(46,296)	(243,203)
	\$ 465,169	\$ 34,644	\$ 83,065	\$ —	\$ 112,000	\$ 255	\$ 74,629	\$ 304,593
31 December 2024								
Gross amount	\$ 448,108	\$ 97,858	\$ 178,616	\$ 12,453	\$ 112,000	\$ 720	\$ 76,422	\$ 478,069
Accumulated amortisation and impairment	—	(60,317)	(90,896)	(12,453)	—	(686)	(38,613)	(202,965)
	\$ 448,108	\$ 37,541	\$ 87,720	\$ —	\$ 112,000	\$ 34	\$ 37,809	\$ 275,104

The following table presents the changes in the net amount of each category of goodwill and intangible assets, net (in thousands):

	Goodwill	Intangible Assets					Software	Total
		Developed Technology	Customer Relationships	Trade Names	IPR&D	Other Intangible Assets		
1 January 2024	\$ 458,857	\$ 46,569	\$ 102,549	\$ —	\$ 112,000	\$ 59	\$ 21,282	\$ 282,459
Additions	—	—	—	—	—	—	22,981	22,981
Amortisation ⁽¹⁾	—	(6,700)	(10,494)	—	—	(18)	(6,346)	(23,558)
Currency translation loss	(10,749)	(2,328)	(4,335)	—	—	(7)	(108)	(6,778)
31 December 2024	448,108	37,541	87,720	—	112,000	34	37,809	275,104
Additions	—	—	415	—	—	250	44,450	45,115
Amortisation ⁽¹⁾	—	(6,962)	(10,712)	—	—	(27)	(8,324)	(26,025)
Currency translation gain/(loss)	17,061	4,065	5,642	—	—	(2)	694	10,399
31 December 2025	\$ 465,169	\$ 34,644	\$ 83,065	\$ —	\$ 112,000	\$ 255	\$ 74,629	\$ 304,593

⁽¹⁾ Included within cost of sales, SG&A, and R&D in the consolidated statement of income (loss).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 17. Goodwill and Intangible Assets

Impairment of Goodwill and Intangible Assets

The Company's CGUs consist of Cardiopulmonary, Obstructive Sleep Apnoea, and Neuromodulation. The carrying amount of goodwill by CGU was as follows (in thousands):

	31 December	
	2025	2024
Cardiopulmonary	\$ 66,415	\$ 49,354
Obstructive Sleep Apnoea	82,595	82,595
Neuromodulation	316,159	316,159
	<u>\$ 465,169</u>	<u>\$ 448,108</u>

LivaNova performed quantitative assessments of the Company's CGUs as of 31 December 2025 and 2024 in accordance with IAS 36 "Impairment of Assets." The methodology applied to the Company's CGUs was fair value less cost of disposal, reflecting past experience and external sources of information, including Board approved budgets covering a five-year period. Cash flows beyond the five-year period are projected using the estimated growth rates, which are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. Additionally, these calculations use cash flow projections with post-tax discount rates derived from the Company's benchmarked WACC and an expected revenue growth rate for all CGUs. The Company has considered climate risk in relation to impairment testing of goodwill. While climate-related matters can affect future cash flows and the carrying value being tested, no such impacts were identified related to the impairment tests in 2025 or 2024.

LivaNova also performed quantitative assessments of the IPR&D recognised in conjunction with the acquisition of ImThera as of 31 December 2025 and 2024. The fair value less cost of disposal calculation was based on a projection period of 23 years. The assessment included a discounted cash flow model test that included a discount rate and an expected short-term revenue growth rate. Based on the assessments performed, the Company determined that the IPR&D asset was not impaired. The fair value less cost of disposal of the IPR&D asset recognised in conjunction with the acquisition of ImThera exceeded its carrying value by 81.3% or \$91.0 million as of 31 December 2025 and by 51.6% or \$57.8 million as of 31 December 2024.

The following tables present the key assumptions used in performing the goodwill and IPR&D quantitative assessments:

	31 December 2025		
	Revenue Growth Rate	Revenue Growth Rate Years	Discount Rate
Goodwill			
Cardiopulmonary	2.0% - 7.8%	2026 - 2035	12.5%
Neuromodulation	2.0% - 6.0%	2026 - 2034	10.5%
OSA	2.0% - 98.4%	2026 - 2042	17.0%
Indefinite-lived Intangible Assets			
IPR&D	2.0% - 98.4%	2026 - 2048	16.0%
	31 December 2024		
	Revenue Growth Rate	Revenue Growth Rate Years	Discount Rate
Goodwill			
Cardiopulmonary	2.0% - 9.2%	2025 - 2034	14.0%
Neuromodulation	2.0% - 5.9%	2025 - 2033	11.0%
OSA	2.0% - 1,095.7%	2025 - 2041	20.0%
Indefinite-lived Intangible Assets			
IPR&D	2.0% - 1,095.7%	2025 - 2047	19.0%

The fair value less cost of disposal models used for calculating the recoverable amount is most sensitive to the discount rate, and the expected revenue growth rate. The Company performed a sensitivity analysis, as of 31 December 2025, for each of these assumptions for each CGU, as applicable, including an increase of 0.5% in the discount rate used, and a decrease of 0.5% in the expected revenue growth rate, which LivaNova considers to be reasonably possible changes. None of these reasonably possible scenarios would result in an impairment of any CGU.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18. Leases

Note 18. Leases

LivaNova has leases primarily for (i) office space; (ii) manufacturing, warehouse, and R&D facilities; and (iii) vehicles.

Right-of-Use Assets and Lease Liabilities

The following table presents the changes in ROU assets and lease liabilities by class of assets (in thousands):

	Real Estate	Vehicles	Others	Total ROU Assets	Lease Liabilities
1 January 2024	\$ 46,861	\$ 2,182	\$ 522	\$ 49,565	\$ 53,843
Additions	3,629	4,016	173	7,818	7,613
Depreciation expense ⁽¹⁾	(7,677)	(1,797)	(279)	(9,753)	—
Disposals, modifications, and other	(204)	(36)	—	(240)	(78)
Interest expense	—	—	—	—	2,891
Lease payments	—	—	—	—	(12,421)
Currency translation adjustments	(2,400)	(162)	(11)	(2,573)	(2,473)
31 December 2024	40,209	4,203	405	44,817	49,375
Additions	19,230	3,528	463	23,221	18,252
Depreciation expense ⁽¹⁾	(8,159)	(2,759)	(316)	(11,234)	—
Disposals, modifications, and other	(1,395)	(126)	—	(1,521)	(399)
Interest expense	—	—	—	—	3,230
Lease payments	—	—	—	—	(13,573)
Currency translation adjustments	4,406	617	15	5,038	5,355
31 December 2025	\$ 54,291	\$ 5,463	\$ 567	\$ 60,321	\$ 62,240

⁽¹⁾ Depreciation expense is included in the consolidated statement of income (loss) in cost of sales, SG&A, and R&D.

Contractual maturities of LivaNova's lease liabilities as of 31 December 2025 and 2024 were as follows (in thousands):

	31 December	
	2025	2024
Within 1 year	\$ 12,444	\$ 11,392
Between 1 and 2 years	10,943	8,468
Between 2 and 3 years	9,855	7,206
Between 3 and 4 years	8,409	5,795
Between 4 and 5 years	7,584	4,887
After 5 years	34,794	25,459
Total lease payments	84,029	63,207
Less: Amount representing finance charges	(21,789)	(13,832)
Net present value of lease liabilities	\$ 62,240	\$ 49,375

Note 19. Inventories

The following table presents the composition of inventories (in thousands):

	31 December	
	2025	2024
Raw materials	\$ 75,800	\$ 71,949
Work-in-process	12,875	12,322
Finished goods	76,026	63,295
	\$ 164,701	\$ 147,566

Inventory charged to cost of sales for the years ended 31 December 2025 and 2024 totalled \$336.1 million and \$293.6 million, respectively. Inventories are reported net of the provision for obsolescence of \$18.0 million and \$16.4 million as of 31 December 2025 and 2024, respectively, resulting from normal obsolescence of components that are phased out or expired, and primarily represent provisions for raw materials. For the years ended 31 December 2025 and 2024, write-downs of inventory to net realisable value totalled \$5.0 million and \$8.6 million, respectively. These were recognised as an expense and were included in cost of sales in the consolidated statement of income (loss).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 20. Trade Receivables and Other Receivables

Note 20. Trade Receivables and Other Receivables

The following table presents the composition of net trade receivables (in thousands):

	31 December	
	2025	2024
Trade receivables from third parties	\$ 228,512	\$ 204,433
Expected credit loss provision	(12,527)	(11,275)
	<u>\$ 215,985</u>	<u>\$ 193,158</u>

LivaNova's customers consist of hospitals, other healthcare institutions, distributors, organised purchase groups, and government and private entities. Actual collection periods for trade receivables vary significantly as a function of the nature of the customer (e.g., government or private) and its geographic location.

Trade receivables are reported net of the expected credit loss provision. The following table presents the changes in the expected credit loss provision (in thousands):

	2025	2024
Beginning of year	\$ (11,275)	\$ (12,019)
Additions to provision	(1,150)	(1,440)
Utilisation	1,309	1,353
Currency translation (loss)/gain	(1,411)	831
End of year	<u>\$ (12,527)</u>	<u>\$ (11,275)</u>

The following table presents the composition of other receivables (in thousands):

	31 December	
	2025	2024 Restated ⁽¹⁾
Prepaid assets and other current receivables	\$ 20,490	\$ 16,700
Deposit and advances to suppliers	14,548	8,169
Indirect tax receivable	6,763	11,759
Guarantee deposits	679	1,004
	<u>\$ 42,480</u>	<u>\$ 37,632</u>

⁽¹⁾ For additional information, refer to "Note 24. Restatement of Previously Issued Financial Statements."

Note 21. Other Liabilities

The following table presents the composition of non-current other liabilities (in thousands):

	31 December	
	2025	2024
Amounts due to employees	\$ 7,925	\$ 7,144
Contract liabilities	4,789	3,870
Other	362	327
	<u>\$ 13,076</u>	<u>\$ 11,341</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 21. Other Liabilities

The following table presents the composition of current other liabilities (in thousands):

	31 December	
	2025	2024 Restated ⁽¹⁾
Accrued employee-related charges	\$ 71,923	\$ 59,530
Legal and administrative expenses	18,396	17,379
Amounts due to employees	16,175	16,673
Indirect tax payable	15,761	19,176
Contract liabilities	11,510	10,848
Current lease liabilities ⁽²⁾	8,984	9,046
Provisions for agents, returns, and other	5,322	6,744
Amounts due to health and social security institutions	4,812	4,335
Royalty accrual	4,758	4,466
Interest payable	4,638	9,479
Current advances from customers	3,354	2,645
Research and development costs	1,234	6,167
Derivative financial instruments ⁽³⁾	99	2,915
Other current liabilities and accrued expenses	23,471	29,207
	<u>\$ 190,437</u>	<u>\$ 198,610</u>

⁽¹⁾ For additional information, refer to “Note 24. Restatement of Previously Issued Financial Statements.”

⁽²⁾ For additional information, refer to “Note 18. Leases.”

⁽³⁾ For additional information, refer to “Note 12. Derivative Financial Instruments.”

Note 22. Provisions

The following table presents the composition of provisions (in thousands):

	31 December	
	2025	2024
SNIA environmental liability ⁽¹⁾	\$ 396,242	\$ 344,403
Contingent consideration ⁽²⁾	92,075	84,218
Saluggia site remediation ⁽¹⁾	47,342	37,246
Italian medical device payback law ⁽¹⁾	12,839	15,982
3T litigation provision liability ⁽¹⁾	15,602	15,843
Other reserves ⁽³⁾	9,982	8,027
	<u>\$ 574,082</u>	<u>\$ 505,719</u>

⁽¹⁾ For additional information, refer to “Note 26. Commitments and Contingencies.”

⁽²⁾ For additional information, refer to “Note 11. Fair Value Measurements.”

⁽³⁾ Other reserves includes amounts for uncertain tax positions and other individually immaterial items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 22. Provisions

The following table presents the changes in the provisions (in thousands):

	SNIA Environmental Liability ⁽¹⁾	Contingent Consideration ⁽²⁾	Saluggia Site Remediation ⁽¹⁾	Italian Medical Device Payback Law ⁽¹⁾	3T Litigation Provision Liability ⁽¹⁾	Other Reserves ⁽³⁾	Total
1 January 2024	\$ —	\$ 94,652	\$ 42,660	\$ 8,223	\$ 20,260	\$ 4,898	\$ 170,693
Change in fair value	—	3,316	—	—	—	—	3,316
Additions to provision	344,403	—	(2,264)	8,041	13,287	14,499	377,966
Utilisation	—	(13,750)	—	—	(17,412)	(10,704)	(41,866)
Release of provisions	—	—	(549)	—	—	—	(549)
Currency translation gain	—	—	(2,601)	(282)	(292)	(666)	(3,841)
31 December 2024	344,403	84,218	37,246	15,982	15,843	8,027	505,719
Less: Current portion as of 31 December 2024	344,403	—	497	15,982	12,918	6,820	380,620
Long-term portion as of 31 December 2024	—	84,218	36,749	—	2,925	1,207	125,099
Change in fair value	—	7,857	—	—	—	—	7,857
Additions to provision	6,740	—	6,614	3,630	4,737	2,917	24,638
Utilisation	—	—	—	(4,126)	(5,825)	(2,426)	(12,377)
Release of provisions	—	—	(1,302)	(4,141)	—	—	(5,443)
Currency translation loss	45,099	—	4,784	1,494	847	1,464	53,688
31 December 2025	396,242	92,075	47,342	12,839	15,602	9,982	574,082
Less: Current portion as of 31 December 2025	396,242	50,030	572	12,839	12,552	4,037	476,272
Long-term portion as of 31 December 2025	\$ —	\$ 42,045	\$ 46,770	\$ —	\$ 3,050	\$ 5,945	\$ 97,810

(1) For additional information, refer to “Note 26. Commitments and Contingencies.”

(2) For additional information, refer to “Note 11. Fair Value Measurements.”

(3) Other reserves includes amounts for uncertain tax positions and other individually immaterial items.

Note 23. Shareholders’ Equity

The following table presents LivaNova PLC’s authorised share capital (in number of shares):

	31 December	
	2025	2024
Authorised share capital, Ordinary Shares of £1 each, unlimited shares authorised		
Issued ⁽¹⁾	55,535,181	54,437,670
Outstanding	54,649,085	54,348,542

(1) Allotted, fully paid, and issued.

Preferred shares. LivaNova may issue preferred shares by special resolution or by determination by the Board.

Group reconstruction reserve. The ‘Group reconstruction reserve’ represents the excess of value attributed to shares and share appreciation rights issued during the acquisition of Sorin S.p.A on 19 October 2015 over the nominal value of those shares and share rights. Additionally, on 6 August 2021, the Company closed an offering and issued 4,181,818 ordinary shares, par value £1.00 per share, at an offering price of \$82.50 per share. Net proceeds from the offering were \$322.5 million, after deducting underwriting discounts, commissions and offering expenses, of which \$316.7 million was recognised as group reconstruction reserve.

Share premium. Share premium represents the excess of value from shares issued associated with non-qualified stock options, Board RSUs, and the ESPP.

Treasury shares. Shares held by the EBT are issued to employees and directors at exercise of share-based compensation grants. The balance of shares in the EBT are reported as treasury shares. During the years ended 31 December 2025 and 2024, LivaNova PLC issued 1,000,000 and 350,000 shares, respectively, to the EBT. As of 31 December 2025 and 2024, LivaNova held 886,096 and 89,128 shares in treasury, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 23. Shareholders' Equity

AOCI. The table below presents the change in each component of AOCI, net of tax and the reclassifications out of AOCI into accumulated losses (in thousands). Taxes were not provided for foreign currency translation adjustments for the years ended 31 December 2025 and 2024 as translation adjustments related to earnings are intended to be reinvested in the countries where earned.

	Foreign Currency Translation Differences	Remeasurement of Defined Benefit Plans	Total
1 January 2024	\$ (12,331)	\$ (1,361)	\$ (13,692)
Other comprehensive (loss) income before reclassifications, before tax	(29,949)	838	(29,111)
Tax expense	—	(57)	(57)
Other comprehensive (loss) income before reclassifications, net of tax	(29,949)	781	(29,168)
Net other comprehensive (loss) income, net of tax	(29,949)	781	(29,168)
31 December 2024	(42,280)	(580)	(42,860)
Other comprehensive income (loss) before reclassifications, before tax	47,257	(1,001)	46,256
Tax expense	—	(103)	(103)
Other comprehensive income (loss) before reclassifications, net of tax	47,257	(1,104)	46,153
Net other comprehensive income (loss), net of tax	47,257	(1,104)	46,153
31 December 2025	\$ 4,977	\$ (1,684)	\$ 3,293

Dividends. No dividend has been proposed during, or in respect of, the course of the years ended 31 December 2025 and 2024, and the Company has never declared a dividend. LivaNova currently has no intention of declaring and paying dividends. Earnings are intended to be reinvested in the Company.

Note 24. Restatement of Previously Issued Financial Statements

During 2025, the Company identified and corrected an error related to the classification of certain employee costs in the Cardiopulmonary segment between cost of sales and selling, general, and administrative expense in the consolidated statement of income (loss). This misclassification understated cost of sales and overstated selling, general, and administrative expense by equal and offsetting amounts, with no impact to operating income (loss) or net income (loss) for the year ended 31 December 2024. The Company has restated the previously issued consolidated statement of income (loss) for the year ended 2024 to correct for the error, and these corrections are reflected in this Annual Report.

The following table presents a summary of the corrections to the impacted financial statement line items in the Company's financial statements in the previously issued 2024 Annual Report (in thousands):

	2024		
	As Previously Reported	Adjustment	Restated
Cost of sales	\$ 382,062	\$ 17,389	\$ 399,451
Selling, general, and administrative	524,207	(17,389)	506,818
	\$ 906,269	\$ —	\$ 906,269

The following table presents a summary of the correction to the impacted Cardiopulmonary disaggregated segment income table line items in "Note 4. Segment and Geographic Information" in the previously issued 2024 Annual Report (in thousands):

	2024		
	As Previously Reported	Adjustment	Restated
Cost of sales	\$ 322,639	\$ 17,389	\$ 340,028
Selling, general, and administrative	226,479	(17,389)	209,090
	\$ 549,118	\$ —	\$ 549,118

Additionally, the Company restated the previously issued consolidated financial statements to comply with the relevant presentation requirements of UK-adopted International Accounting Standards. The following tables present a summary of the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 24. Restatement of Previously Issued Financial Statements

reclassifications to the impacted financial statement line items in the Company's financial statements in the previously issued 2024 Annual Report (including the 1 January 2024 opening consolidated balance sheet) (in thousands):

Consolidated Statement of Income (Loss)	2024		
	As Previously Reported	Adjustments ⁽¹⁾	Restated
Other operating expense	\$ 13,356	\$ 13,287	\$ 26,643
Exceptional items	13,287	(13,287)	—
Finance expense	(65,563)	(58,029)	(123,592)
Finance income	—	80,114	80,114
Loss on debt extinguishment	(26,148)	26,148	—
Net gain on embedded and capped call derivatives	20,127	(20,127)	—
Net foreign exchange and other income/(expense)	28,106	(28,106)	—
	<u>\$ (16,835)</u>	<u>\$ —</u>	<u>\$ (16,835)</u>

⁽¹⁾ Adjustments to present the 3T litigation provision expense within other operating expense and finance expense and finance income on a gross basis.

Consolidated Balance Sheet	31 December 2024			1 January 2024		
	As Previously Reported	Adjustments ⁽¹⁾	Restated	As Previously Reported	Adjustments ⁽¹⁾	Restated
Current other receivables	\$ 25,873	\$ 11,759	\$ 37,632	\$ 26,699	\$ 9,594	\$ 36,293
Tax receivable	24,645	(24,645)	—	17,571	(17,571)	—
Current income tax receivable	—	12,886	12,886	—	7,977	7,977
Current other liabilities	179,434	19,176	198,610	178,249	12,195	190,444
Tax payable	30,243	(30,243)	—	23,340	(23,340)	—
Current income tax payable	—	11,067	11,067	—	11,145	11,145
	<u>\$ 260,195</u>	<u>\$ —</u>	<u>\$ 260,195</u>	<u>\$ 245,859</u>	<u>\$ —</u>	<u>\$ 245,859</u>

⁽¹⁾ Adjustments to reclassify indirect tax receivable and payable balances separately from current income tax receivable and current income tax payable.

Consolidated Statement of Cash Flows	2024		
	As Previously Reported	Adjustment ⁽¹⁾	Restated
Cash Flows From Operating Activities:			
Changes in operating assets and liabilities:			
Current income tax payable	\$ 6,299	\$ (6,981)	\$ (682)
Other current and non-current liabilities	(31,031)	6,981	(24,050)
	<u>\$ (24,732)</u>	<u>\$ —</u>	<u>\$ (24,732)</u>

⁽¹⁾ Adjustment to conform the consolidated statement of cash flows with the consolidated balance sheet adjustments.

Note 25. Financial Risk Management

Management of Financial Risk

Increasing market fluctuations may result in significant earnings and cash flow volatility risk for LivaNova. The Company's operating business as well as its investment and financing activities are affected particularly by changes in foreign exchange rates, interest rates, and concentration of procurement suppliers and customers. In order to optimise the allocation of the financial resources across LivaNova's segments and entities, as well as to achieve its aims, LivaNova identifies, analyses, and manages the associated market risks. The Company seeks to manage and control these risks primarily through its regular operating and financing activities, and uses derivative financial instruments when deemed appropriate.

The Company's CFO oversees the management of these risks. The CFO is supported by a senior financial management team that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior financial management team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with policies and risk appetite. All derivative activities for risk management purposes are carried out by teams that have the appropriate skills, experience, and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. Intercompany financing or investments of operating units are preferably carried out in their functional currency or on a hedged basis. The Board reviews and agrees to policies for managing each of these risks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 25. Financial Risk Management

Liquidity Risk

Liquidity risk results from the Company's inability to meet its financial liabilities. LivaNova follows a financing policy that is aimed towards a balanced financing portfolio, a diversified maturity profile, and a comfortable liquidity cushion. LivaNova mitigates liquidity risk by the implementation of an effective working capital and centralised cash management and arranged credit facilities with highly rated financial institutions. In addition, LivaNova constantly monitors funding options available in the capital markets, as well as trends in the availability and costs of such funding, with a view to maintaining financial flexibility and limiting repayment risks.

The following tables reflect the undiscounted cash outflows related to settlement and repayments of the Company's financial liabilities at a balance sheet date. The disclosed expected undiscounted net cash outflows from derivative financial liabilities are determined based on each particular settlement date of an instrument and based on the earliest date on which LivaNova could be required to pay. Cash outflows for financial liabilities without fixed amount or timing are based on the conditions existing at the respective balance sheet date.

Contractual undiscounted future cash outflows were as follows (in thousands):

	31 December 2025				
	Due Within 1 Year	1-2 Years	2-5 Years	Over 5 Years	Total
Non-derivative financial instruments					
Trade payables	\$ 93,803	\$ —	\$ —	\$ —	\$ 93,803
Financial liabilities ⁽¹⁾	31,271	65,313	345,000	319	441,903
	<u>\$ 125,074</u>	<u>\$ 65,313</u>	<u>\$ 345,000</u>	<u>\$ 319</u>	<u>\$ 535,706</u>
Financial derivative liabilities					
- On equity price risk ⁽²⁾	\$ —	\$ —	\$ 83,904	\$ —	\$ 83,904
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 83,904</u>	<u>\$ —</u>	<u>\$ 83,904</u>
	31 December 2024				
	Due Within 1 Year	1-2 Years	2-5 Years	Over 5 Years	Total
Non-derivative financial instruments					
Trade payables	\$ 67,081	\$ —	\$ —	\$ —	\$ 67,081
Financial liabilities	81,959	30,625	610,313	328	723,225
	<u>\$ 149,040</u>	<u>\$ 30,625</u>	<u>\$ 610,313</u>	<u>\$ 328</u>	<u>\$ 790,306</u>
Financial derivative liabilities					
- On equity price risk ⁽²⁾	\$ 2,915	\$ —	\$ 51,819	\$ —	\$ 54,734
	<u>\$ 2,915</u>	<u>\$ —</u>	<u>\$ 51,819</u>	<u>\$ —</u>	<u>\$ 54,734</u>

⁽¹⁾ On 8 January 2026, LivaNova paid \$97.7 million in an early repayment of the amount outstanding under the Term Facilities in full, along with accrued interest.

⁽²⁾ Refer to the section titled "Equity Price Risk" below.

Foreign Currency Exchange Rate Risk

FX risk is the risk that reported financial performance of the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. LivaNova operates in many countries and currencies and therefore currency fluctuations may impact LivaNova's financial results. In the ordinary course of business, LivaNova is exposed to FX fluctuations, particularly between USD, Euro, Canadian Dollar, GBP, and Japanese Yen. LivaNova is exposed to currency risk in the following areas:

- Transaction exposures related to anticipated sales and purchases and on-balance-sheet receivables/payables resulting from such transactions;
- Translation exposure of foreign-currency intercompany and external debt;
- Translation exposure of net income in foreign entities; and
- Translation exposure of foreign-currency denominated equity invested in consolidated companies.

Due to the global nature of LivaNova's operations, the Company is exposed to FX fluctuations. LivaNova uses freestanding derivative forward contracts to offset exposure to the variability of the value associated with intercompany loans denominated in a foreign currency. As of 31 December 2025 and 2024, a 100 basis point change in the exchange rate of the U.S. dollar against the prevailing market rates of foreign currencies involving balance sheet transactional exposures would not have a material effect on LivaNova's consolidated results of operations, cash flows, or financial position. For additional information, refer to "Note 2. Basis

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 25. Financial Risk Management

of Preparation, Use of Accounting Estimates, and Material Accounting Policies” and “Note 12. Derivative Financial Instruments” in the consolidated financial statements in this Annual Report.

Interest Rate Risk

LivaNova is subject to interest rate risk on its variable-rate depository accounts and financing arrangement, the Term Facilities. Interest expense associated with the Term Facilities is principally offset by holding proceeds from the Term Facilities in a depository account, which earns a floating rate of interest. As of 31 December 2025 and 2024, a 100 basis point increase/(decrease) in the interest rates of LivaNova’s variable-rate depository accounts would increase/(decrease) finance income on the Company’s consolidated statements of income (loss) by \$5.6 million and \$6.1 million, respectively. As of 31 December 2025 and 2024, a 100 basis point change in the interest rate of the Term Facilities would not have a material effect on LivaNova’s consolidated results of operations, cash flows, or financial position. For additional information, refer to “Note 15. Financial Liabilities” in the consolidated financial statements in this Annual Report.

Credit Risk

The following table presents the maximum theoretical credit risk exposure for LivaNova as an aggregate carrying amount of financial assets (in thousands):

	31 December	
	2025	2024
Trade receivables	\$ 215,985	\$ 193,158
Other receivables	42,480	37,632
Current and non-current financial derivative assets	36,716	23,735
Current and non-current financial assets	24,773	35,799
Other assets	12,095	7,590
	<u>\$ 332,049</u>	<u>\$ 297,914</u>

LivaNova’s trade receivables represent potential concentrations of credit risk. This risk is limited due to the large number of customers and their dispersion across a number of geographic areas, as well as LivaNova’s efforts to control its exposure to credit risk by monitoring its receivables and the use of credit approvals and credit limits. Refer to “Note 20. Trade Receivables and Other Receivables” for more details. In addition, LivaNova has historically had strong collections and minimal write-offs. While LivaNova believes that its reserves for credit losses are adequate, essentially all of the Company’s trade receivables are concentrated in the hospital and healthcare sectors worldwide, and accordingly, LivaNova is exposed to their respective business, economic, and country-specific variables. Although LivaNova does not currently foresee a concentrated credit risk associated with these receivables, repayment is dependent on the financial stability of these industry sectors and the respective countries’ national economies and healthcare systems.

LivaNova is exposed to credit risk in the event of non-performance by the counterparties to the Company’s derivatives. The Option Counterparties are financial institutions. To limit LivaNova’s credit risk, the Company selected financial institutions with a minimum long-term investment grade credit rating. LivaNova’s exposure to the credit risk of the Option Counterparties is not secured by any collateral. If one or more of the Option Counterparties becomes subject to insolvency proceedings, LivaNova will become an unsecured creditor in those proceedings, with a claim equal to the Company’s exposure at that time under the 2029 Capped Calls, as applicable, with that Option Counterparty.

To manage credit risk with respect to LivaNova’s FX derivatives, the Company selects and periodically reviews counterparties based on credit ratings, limits its exposure with respect to each counterparty, and monitors their respective market positions. However, if one or more of these counterparties were in a liability position to the Company and were unable to meet their obligations, any transactions with the counterparty could be subject to early termination, which could result in losses for the Company. Refer to “Note 12. Derivative Financial Instruments” for more details.

Note 26. Commitments and Contingencies

Saluggia Site Hazardous Substances

LSM, formerly a subsidiary of Sorin, one of the companies that merged into LivaNova PLC in 2015, manages site services for the campus in Saluggia, Italy. In addition to being a former LivaNova manufacturing facility, the Saluggia campus is also the location of manufacturing facilities of third parties, a cafeteria for workers, and storage facilities for hazardous substances and equipment previously used in a nuclear research centre, later turned nuclear medicine business, between the 1960s and the late 1990s. Pursuant to authorisation from the Italian government, LSM performs ordinary maintenance, secures the facilities, monitors air and water quality, and files applicable reports with the competent environmental authorities.

In 2020, LSM received correspondence from ISIN requesting that, within five years, LSM demonstrate the financial capacity to meet its obligations under Italian law to clean and dismantle any contaminated buildings and equipment, as well as to deliver

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 26. Commitments and Contingencies

hazardous substances to a national repository. The national repository will be built by the Italian government at a location and time yet to be determined. ISIN subsequently published Technical Guide n. 30, which identifies the technical criteria and general safety and protection requirements for the design, construction, operation, and dismantling of temporary storage facilities for the hazardous substances.

Although there is no legal obligation to deliver any hazardous substances, as the performance of these obligations is contingent on the construction of the as-yet unbuilt national repository, based on the aforementioned factors, the Company concluded its obligation to clean, dismantle, and deliver any hazardous substances to a national repository is probable and reasonably estimable. The estimated liability as of 31 December 2025 and 2024 was \$47.3 million and \$37.2 million, respectively. A 0.5% increase or decrease in the discount rate applied would not have a material impact on the provision. The timing of any cash outflows associated with this provision is uncertain given the factors noted above; however, LivaNova does not currently expect to incur significant cash outflows associated with this matter in the next two years. Refer to “Note 22. Provisions” for additional information.

SNIA Environmental Litigation

Sorin was created as a result of a spin-off from SNIA in 2004. SNIA subsequently became insolvent, and the Public Administrations sought compensation from SNIA in an aggregate amount of approximately \$4.0 billion for remediation costs relating to the environmental damage at chemical sites previously operated by SNIA’s other subsidiaries. In 2012, SNIA filed a civil action against Sorin in the Civil Court of Milan, asserting joint liability of a parent and a spun-off company; the Public Administrations entered voluntarily into the proceeding, asking Sorin, as jointly liable with SNIA, to pay compensation for SNIA’s environmental damages. In 2015, Sorin was merged into LivaNova.

In 2016, the Court of Milan dismissed all legal actions of SNIA and of the Public Administrations, further requiring the Public Administrations to pay Sorin €292,000 (\$343,000 as of 31 December 2025) for legal fees. The Public Administrations appealed the 2016 Decision to the Court of Appeal. In March 2019, the Court of Appeal issued a partial decision on the merits declaring LivaNova jointly liable with SNIA for SNIA’s environmental liabilities in an amount up to the fair value of the net worth received by Sorin because of the spin-off of Sorin from SNIA in 2004, an estimated €572.1 million (\$671.1 million as of 31 December 2025). LivaNova appealed the partial decision on liability to the Italian Supreme Court in August 2019.

In 2021, the Court of Appeal delivered the remainder of its decision, ordering LivaNova to pay damages of €453.6 million (\$532.1 million as of 31 December 2025). LivaNova appealed the decision on damages in December 2021. In February 2022, the Court of Appeal notified the Company that it granted the Company a suspension with respect to the payment of damages until a decision was reached on the appeal to the Italian Supreme Court, subject to LivaNova providing a first demand bank guarantee of €270.0 million (\$316.7 million as of 31 December 2025); LivaNova delivered the SNIA Litigation Guarantee in March 2022.

In November 2022, the Italian Supreme Court issued a procedural document whereby the Italian Supreme Court referred a question on the interpretation of a European directive on demergers to the ECJ. Specifically, the ordinance asked the ECJ to provide a binding decision as to whether a company resulting from a demerger can be held jointly and severally liable not only for the established liabilities of the demerged company that were articulated at the time of demerger, but also for the environmental liabilities of the demerged company that materialised after the demerger which are derived from actions performed prior to the demerger. In July 2024, the ECJ issued a judgement, stating that a demerged company can be held responsible for liabilities not established prior to a demerger as long as the liabilities derive from the conduct of a demerged company prior to the demerger. The ECJ judgement also states that national law should determine whether liability for damages stemming from F-30 conduct after a demerger can be assigned to a demerged company.

On 14 March 2025, the Italian Supreme Court issued its decision in response to all of the appeals of the Company and counter-appeals submitted by the Public Administrations. The Italian Supreme Court determined that LivaNova can be held jointly and severally liable for the established liabilities of SNIA at the time of demerger as well as the environmental liabilities of the demerged company that materialised after the demerger which are derived from actions performed prior to the demerger; however, the Italian Supreme Court also ruled that the Company should not be held responsible for certain payments previously approved by the Court of Appeal in the amount of €157 million (\$184.5 million) as of 31 December 2025. The case was referred back to the Court of Appeal to implement the decisions respecting costs and damages in accordance with the judgement of the Italian Supreme Court.

On 31 March 2025, as a result of the decision by the Italian Supreme Court, the SNIA Litigation Guarantee was terminated, and the restriction on the cash deposit held as collateral was released.

On 15 May 2025, as a procedural step, the Public Administrations served the Company with a filing to return the proceedings to the Court of Appeal. In addition to seeking a return of the case to the Court of Appeal, the Public Administrations asserted that the Court of Appeal forgo an examination of the amounts disapproved by the Italian Supreme Court and instead impose costs of €108.8 million (\$127.6 million as of 31 December 2025) at a minimum. These assertions are counter to the decision of the Italian

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 26. Commitments and Contingencies

Supreme Court's judgement, which disapproved costs of €157.3 million (\$184.5 million as of 31 December 2025). The Public Administrations' filing is not a legal judgement or demand for payment.

At a hearing on 28 January 2026, the Court of Appeal scheduled a hearing for 24 June 2026 to allow the parties to discuss a possible out-of-court resolution of the matter. Discussions remain ongoing, and there can be no assurance that they will result in a settlement.

As a result of the 14 March 2025 decision by the Italian Supreme Court, the Company recorded a current liability and environmental liability expense of €331.9 million (\$344.4 million) as of and for the year ended 31 December 2024. As of 31 December 2025, the current liability on the consolidated balance sheet was €337.8 million (\$396.2 million), representing the Company's best estimate inclusive of estimated costs, fees, interest, and taxes. These estimated costs do not include the Company's legal fees, which are expensed as incurred and included in SG&A in LivaNova's consolidated statement of income (loss). As of the date of this filing, the Company believes the amount recorded for the SNIA matter remains its best estimate and has determined that it has sufficient resources to satisfy the liability.

Product Liability Litigation

The Company continues to be involved in litigation involving LivaNova's 3T device. The litigation includes the cases remaining in the federal multi-district litigation in the U.S. District Court for the Middle District of Pennsylvania and various U.S. state courts, as well as claims in jurisdictions outside the United States. As of 27 April 2026, the Company was aware of approximately 60 filed and unfiled claims worldwide. The complaints generally seek damages and other relief based on theories of strict liability, negligence, breach of express and implied warranties, failure to warn, design and manufacturing defect, fraudulent and negligent misrepresentation or concealment, unjust enrichment, and violations of various state consumer protection statutes.

For the years ended 31 December 2025 and 2024, LivaNova recorded an additional liability of \$4.7 million and \$13.3 million, respectively, within other operating expense in the consolidated statement of income (loss) upon receiving new information regarding the nature of certain claims. As of 31 December 2025 and 2024, the provision for these matters was \$15.6 million and \$15.8 million, respectively. While the amount accrued represents LivaNova's best estimate for those worldwide filed and unfiled claims of which LivaNova is aware and believes are both probable and estimable at this time, the actual liability for resolution of these matters may vary from the Company's provision. A provision has not been recorded for any claims where a potential loss is not determined to be probable, or a potential loss or range of potential loss is not reasonably estimable at this time.

Italian MedTech Payback Measure

In 2015, the Italian Parliament introduced a law regarding public contracts with the National Healthcare System for the supply of goods and services. In particular, the law introduced a payback measure requiring companies selling medical devices in Italy to repay a percentage of the healthcare expenditures exceeding the regional maximum caps for medical devices. In August 2022, a decree was published that provided guidance and timetables for the payback measure. In response, LivaNova filed an appeal at the Administrative Court against the decree of the Ministry of Health, assessing the amount payable and against the payback law. LivaNova also filed appeals against the regions requesting payments. In July 2024, the Constitutional Court determined that the payback law is compliant with the Italian Constitution. On 30 June 2025, the Italian Government introduced a decree that would allow companies to settle their 2015-2018 payment obligations by paying 25% of the originally requested amounts if those companies were to withdraw any outstanding appeals related to that period and remit payment within 30 days of the law entering into force. The law entered into force on 10 August 2025. In September 2025, the Company paid €3.5 million (\$4.1 million as of 31 December 2025), representing 25% of the originally requested amounts in full settlement of its 2015-2018 payment obligations and reversed the remaining \$3.8 million reserve for that period. As of 31 December 2025, the Company had a reserve of \$12.8 million for the years 2019 to the present reflecting its best estimate of the full potential obligation; however, the actual liability could vary. As of 31 December 2024, the reserve was \$16.0 million, including \$7.0 million for the years 2015-2018. The reserve is included in current provisions in the consolidated balance sheet. Amounts recognised associated with the Italian MedTech payback measure are recorded as a reduction to net revenue in the consolidated statement of income (loss).

Cyber Litigation

In connection with the cybersecurity incident initially reported on 20 November 2023, LivaNova USA was named as a defendant in six putative class action lawsuits filed in the U.S. District Court for the Southern District of Texas in June and July 2024. Those cases were consolidated in a single action, and the plaintiffs filed against LivaNova USA a consolidated class action complaint, which asserted claims of negligence, breach of contract, and violation of various state consumer protection laws. The plaintiffs sought damages, equitable/injunctive relief, and attorneys' fees, costs, and expenses, among other relief. The parties entered into mediation and agreed to a class action settlement, with respect to which the Company recorded an accrual of \$1.2 million for the class action settlement during 2024. The class action settlement received approval from the court on 4 April 2025, and all settlement administration activities are materially complete.

HHS's Office for Civil Rights investigated the incident pursuant to its authority to enforce the HIPAA rules regarding privacy, security, and breach notification. The Office for Civil Rights issued a request for information regarding the Company's response

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 26. Commitments and Contingencies

to the incident and the Company's compliance with HIPAA rules, to which the Company responded. On 3 December 2025, the Office for Civil Rights notified LivaNova that the agency had formally closed its investigation into the incident and did not intend to take further action against the Company on the basis of the incident. The investigation did not result in civil monetary penalties, a corrective action plan, or other injunctive relief. The Company does not expect to receive additional government requests for information about the incident.

Other Matters

Additionally, LivaNova is the subject of various pending or threatened legal actions and proceedings that arise in the ordinary course of LivaNova's business. These matters are subject to many uncertainties and outcomes that are not predictable and that may not be known for extended periods of time. Since the outcome of these matters cannot be predicted with certainty, the costs associated with them could have a material adverse effect on LivaNova's consolidated results of operations, financial position, or liquidity.

Note 27. Related Parties

Interests in subsidiaries and associates are set out in "Note 2. Investments in Subsidiaries, Associates, and Other Investments" of the parent company financial statements in this Annual Report. Transactions between the Company and its subsidiaries, which are related parties, are eliminated upon consolidation and are not disclosed in this note.

In 2025, LivaNova executed a convertible note receivable with an associate and related party, Cadence Neuroscience, Inc., with an initial principal amount of \$3.0 million.

In 2024, LivaNova recognised \$0.3 million as finance expense associated with an associate and related party, Noctrix Health, Inc.

Total compensation in respect of key management, who are defined as the Board and certain members of senior management, is considered to be a related party transaction. Total compensation in respect of key management was as follows (in thousands):

	2025	2024
Salaries and short-term benefits	\$ 9,308	\$ 8,787
Social security costs	1,701	826
Pension costs	479	432
Termination benefits	—	887
Share-based compensation	12,226	13,777
	<u>\$ 23,714</u>	<u>\$ 24,709</u>

Amounts received or receivable under share-based payment arrangements by key management during the years ended 31 December 2025 and 2024 were \$8.7 million and \$4.4 million, respectively.

There were no other related party transactions in the year.

Note 28. Share-Based Plans

Share-Based Plans

For the year ended 31 December 2025, LivaNova issued share-based compensatory awards to its employees with terms approved by the CHCM Committee of the Board and issued share-based compensatory awards to its directors with terms approved by the Board. The employee awards with service conditions generally vest ratably over three years for RSUs and four years for SARs, and are subject to forfeiture unless service conditions are met. The employee market performance-based awards that were issued generally cliff vest after three years, subject to the rank of LivaNova's TSR for the three-year period ending 31 December 2027 relative to the TSR of the S&P 500 Health Care Equipment index. The employee adjusted FCF and ROIC operating performance-based awards that were issued generally cliff vest after three years, subject to the achievement of certain thresholds of cumulative results for the three-year period ending 31 December 2027. The Board RSU awards with service conditions generally cliff vest at one year.

Prior to 11 June 2025, share-based awards could be granted under the 2015 Plan and the A&R 2022 Plan in the form of stock options, SARs, RSUs, and other share-based and cash-based awards. On 11 June 2025, the Company's shareholders approved the 2025 Director Incentive Plan and the Second A&R 2022 Plan. The 2025 Director Incentive Plan provides equity-based compensation to NEDs by making available a total of 300,000 shares for awards granted on or after the date on which the 2025 Director Incentive Plan was approved by the Company's shareholders. The 2025 Director Incentive Plan is intended to be the successor to the 2015 Plan. No further awards may be made under the 2015 Plan, although any outstanding awards under the 2015 Plan will continue to remain in full force and effect. The Second A&R 2022 Plan provides for an aggregate of 2,200,000 shares that can be issued pursuant to awards granted on or after the date on which the Second A&R 2022 Plan was approved by the Company's shareholders. Additionally, forfeited and expired shares granted under the prior A&R 2022 Plan are applied to the Second A&R 2022 Plan. The other terms of the Second A&R 2022 Plan, including its expiration date, remain unchanged from the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 28. Share-Based Plans

A&R 2022 Plan. As of 31 December 2025, under the 2025 Director Incentive Plan, there were 259,423 shares available for future grants to LivaNova's NEDs, and under the Second A&R 2022 Plan, there were 2,377,127 shares available for future grants to LivaNova's employees.

The Company also provides an ESPP.

Share-Based Compensation

The following table presents the amounts of share-based compensation recognised in the consolidated statement of income (loss) by expense category (in thousands):

	2025	2024
Cost of sales	\$ 1,810	\$ 1,314
Selling, general, and administrative	29,384	28,608
Research and development	7,261	6,920
	<u>\$ 38,455</u>	<u>\$ 36,842</u>

The following table presents the amounts of equity-settled share-based compensation expense recognised in the consolidated statement of income (loss) by type of arrangement (in thousands):

	2025	2024
Service-based SARs	\$ 13,787	\$ 19,067
Service-based RSUs	18,561	13,875
Market performance-based RSUs	2,118	1,402
Operating performance-based RSUs	2,801	1,323
ESPP	1,188	1,175
	<u>\$ 38,455</u>	<u>\$ 36,842</u>

Share Appreciation Rights and Share Options

LivaNova uses the Black-Scholes option pricing methodology to calculate the grant date fair market value of SARs. The following table lists the assumptions the Company utilised as inputs to the Black-Scholes model:

	2025	2024
Weighted average share price	\$39.13	\$55.77
Exercise price	\$39.13	\$55.77
Dividend yield ⁽¹⁾	—	—
Risk-free interest rate - based on grant date ⁽²⁾	3.9%	3.4%
Expected option term - in years per group of employees/consultants ⁽³⁾	5.5	5.3
Expected volatility at grant date ⁽⁴⁾	43.4%	43.1%

⁽¹⁾ LivaNova has not paid dividends, and no future dividends have been approved.

⁽²⁾ LivaNova uses yield rates on U.S. Treasury securities for a period that approximated the expected term of the award to estimate the risk-free interest rate.

⁽³⁾ The Company estimated the expected term of the awards granted using historic data of actual time elapsed between the date of grant and the exercise or forfeiture of options or SARs for employees. For consultants, the expected term is the remaining time until expiration of the option or SAR.

⁽⁴⁾ Refer to "Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies - *Share-Based Compensation*" for additional information regarding expected volatility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 28. Share-Based Plans

The following tables present the activity for service-based SARs and stock option awards:

	2025		2024	
	Number of Optioned Shares	Wtd. Avg. Exercise Price	Number of Optioned Shares	Wtd. Avg. Exercise Price
Outstanding – beginning of year	3,045,532	\$ 61.70	2,954,302	\$ 62.40
Granted	957,734	36.88	729,482	55.77
Exercised	(145,479)	45.05	(236,248)	47.22
Forfeited	(109,429)	45.76	(195,958)	51.60
Expired	(78,096)	79.49	(206,046)	76.76
Outstanding – end of year	<u>3,670,262</u>	55.98	<u>3,045,532</u>	61.70
Fully vested and exercisable – end of year	1,846,208	66.10	1,603,643	67.36
Fully vested and expected to vest – end of year ⁽¹⁾	3,445,871	56.94	2,967,677	61.92

⁽¹⁾ Includes the impact of expected future forfeitures.

The weighted average remaining contractual life for the SARs outstanding at 31 December 2025 and 2024 is 6.67 years and 6.75 years, respectively.

The aggregate intrinsic value of the SARs outstanding at 31 December 2025 and 2024 is \$43.3 million and \$3.6 million (restated), respectively. The aggregate intrinsic value of options and SARs is based on the difference between the fair market value of the underlying share at the end of the year using the market closing share price, and exercise price for in-the-money awards.

The following table presents outstanding options and SARs by exercise price range (in number of shares):

	31 December	
	2025	2024
\$31 – \$50	1,916,042	1,100,070
\$51 – \$70	726,060	806,171
\$71 – \$90	780,802	869,439
\$91 – \$110	246,502	268,996
\$111 – \$130	856	856
	<u>3,670,262</u>	<u>3,045,532</u>

	2025	2024
Weighted average grant date fair value of SARs granted during the year (per share)	\$ 17.31	\$ 26.28
Aggregate intrinsic value of SARs and stock options exercised during the year (in thousands)	\$ 1,458	\$ 2,828

Restricted Share Units Awards

The following tables detail the activity for service-based RSU awards:

	2025		2024	
	Number of Shares	Wtd. Avg. Grant Date Fair Value	Number of Shares	Wtd. Avg. Grant Date Fair Value
Non-vested shares - beginning of year	762,312	\$ 54.32	782,537	\$ 54.40
Granted	555,277	39.37	423,081	55.06
Vested	(286,587)	56.05	(329,587)	54.17
Forfeited	(58,986)	46.35	(113,719)	54.46
Non-vested shares - end of year	<u>972,016</u>	45.75	<u>762,312</u>	54.32

	2025	2024
Weighted average grant date fair value of service-based RSUs issued during the year (per share)	\$ 39.37	\$ 55.06
Aggregate fair value of RSUs that vested during the year (in thousands)	\$ 12,023	\$ 18,119

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 28. Share-Based Plans

The following tables detail the activity for performance-based RSU awards:

	2025		2024	
	Number of Shares	Wtd. Avg. Grant Date Fair Value	Number of Shares	Wtd. Avg. Grant Date Fair Value
Non-vested shares - beginning of year ⁽¹⁾	225,224	\$ 63.42	207,020	\$ 66.84
Granted ⁽¹⁾	185,265	41.67	139,587	64.83
Vested ⁽¹⁾	(30,551)	89.56	(79,737)	84.62
Forfeited ⁽¹⁾	(5,361)	65.54	(66,508)	52.46
Performance adjustments ⁽²⁾	(12,709)	95.14	24,862	76.86
Non-vested shares - end of year ⁽¹⁾	<u>361,868</u>	48.93	<u>225,224</u>	63.42

⁽¹⁾ Represents shares based on an assumed 100% performance achievement. Performance-based RSU awards have a minimum and maximum possible achievement level of 0% and 200%, respectively.

⁽²⁾ Represents the difference between the target shares granted and the actual shares awarded based upon the attainment of performance goals for the Company.

	2025	2024
Weighted average grant date fair value of performance-based RSUs granted during the year (per share)	\$ 41.67	\$ 64.83
Aggregate fair value of performance-based RSUs that vested during the year (in thousands)	\$ 1,195	\$ 4,460

Note 29. Employee Retirement Plans

Defined Benefit Plans

LivaNova sponsors several defined benefit pension plans, which include plans in the U.S., Italy, Germany, Japan, and France. The Company maintains a frozen cash balance retirement plan in the U.S. that is a contributory, defined benefit plan designed to provide the benefit in terms of a stated account balance dependent on the employer's promised interest-crediting rate. In Italy and France, the Company maintains a severance pay defined benefit plan that obligates the employer to pay a severance payment in case of resignation, dismissal, or retirement. In other jurisdictions LivaNova sponsors non-contributory, defined benefit plans designated to provide a guaranteed minimum retirement benefits to eligible employees. Certain members of the Company's key management participate in the Company's defined benefit pension plans. Refer to "Note 27. Related Parties."

Risks Related to Defined-benefit Plans

The defined benefit plans expose LivaNova to various demographic and economic risks such as longevity risk, investment risks, currency and interest rate risk, and in some cases inflation risk. The latter plays a role in the assumed wage increase and in some smaller plans where indexation is mandatory. Pension fund Trustees are responsible for and have full discretion over the investment strategy of the plan assets. In general, Trustees manage pension fund risks by diversifying the investments of plan assets and by (partially) matching interest rate risk of liabilities.

The Company has an active de-risking strategy in which it constantly looks for opportunities to reduce the risks associated with its defined benefit plans. The plans are governed by Trustees who have a legal obligation to evenly balance the interests of all stakeholders and operate under the local regulatory framework.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 29. Employee Retirement Plans

The change in benefit obligations and funded status of LivaNova's U.S. and non-U.S. pension benefits are as follows (in thousands):

	U.S. Pension Benefits					
	2025			2024		
	Present Value of Benefit Obligation	Fair Value of Plan Assets	Net (Asset) Liability	Present Value of Benefit Obligation	Fair Value of Plan Assets	Net Liability
Beginning of year	\$ 7,944	\$ (7,923)	\$ 21	\$ 9,222	\$ (6,671)	\$ 2,551
Interest cost	349	—	349	347	—	347
Total amount recognised in the consolidated statement of income (loss)	349	—	349	347	—	347
Actuarial loss/(gain)	234	—	234	(976)	—	(976)
Actual return on plan assets	—	(808)	(808)	—	(352)	(352)
Total amount recognised in OCI	234	(808)	(574)	(976)	(352)	(1,328)
Employer contributions	—	(850)	(850)	—	(1,549)	(1,549)
Payments from plan:						
Plan settlements	(189)	189	—	(326)	326	—
Benefits paid	(335)	335	—	(323)	323	—
End of year	\$ 8,003	\$ (9,057)	\$ (1,054)	\$ 7,944	\$ (7,923)	\$ 21
Amounts recognised in the consolidated balance sheet consist of:						
Non-current ⁽²⁾	\$ (1,054)			\$ 21		
Recognised (asset) liability	\$ (1,054)			\$ 21		

	Non-U.S. Pension Benefits ⁽¹⁾					
	2025			2024		
	Present Value of Benefit Obligation	Fair Value of Plan Assets	Net Liability	Present Value of Benefit Obligation	Fair Value of Plan Assets	Net Liability
Beginning of year	\$ 7,594	\$ (3,016)	\$ 4,578	\$ 8,260	\$ (3,290)	\$ 4,970
Current service cost	236	—	236	225	—	225
Interest cost	224	—	224	205	—	205
Total amount recognised in the consolidated statement of income (loss)	460	—	460	430	—	430
Actuarial (gain)/loss	(164)	—	(164)	(208)	—	(208)
Actual return on plan assets	—	38	38	—	20	20
Total amount recognised in OCI	(164)	38	(126)	(208)	20	(188)
FX changes and other	769	(34)	735	(572)	176	(396)
Employer contributions	—	—	—	—	—	—
Benefits paid	(1,045)	104	(941)	(316)	78	(238)
End of year	\$ 7,614	\$ (2,908)	\$ 4,706	\$ 7,594	\$ (3,016)	\$ 4,578
Amounts recognised on the consolidated balance sheet consist of:						
Non-current ⁽²⁾	\$ 5,644			\$ 5,682		
Recognised liability	\$ 5,644			\$ 5,682		

⁽¹⁾ In certain non-U.S. countries, fully funding pension plans is not a common practise. Consequently, certain pension plans have been partially funded.

⁽²⁾ These amounts are included within other assets and provision for employee severance indemnities and other employee benefit provisions in the consolidated balance sheet as well as social security taxes payable associated with LivaNova's share-based incentive plans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 29. Employee Retirement Plans

The following table presents the major actuarial assumptions used in determining the benefit obligations and net periodic benefit costs for LivaNova's significant U.S. and Non-U.S. defined benefit plans as weighted averages:

	2025		2024	
	U.S. Pension Benefits	Non-U.S. Pension Benefits	U.S. Pension Benefits	Non-U.S. Pension Benefits
Actuarial assumptions used to determine benefit obligation:				
Discount rate	5.04%	1.81% – 4.00%	5.41%	1.01% – 3.40%
Rate of compensation increase	N/A	2.50% – 3.50%	N/A	2.50% – 3.50%
Actuarial assumptions used to determine net periodic benefit cost:				
Discount rate	5.41%	1.81% – 4.00%	4.93%	1.01% – 3.40%
Rate of compensation increase	N/A	2.50% – 3.50%	N/A	3.00% – 3.50%
Expected return on plan assets	5.50%	N/A	5.00%	N/A

To determine the discount rate for LivaNova's U.S. benefit plan, the Company used the FTSE Above Median Pension Discount Curve. For the discount rate used for the other non-U.S. benefit plans the Company considers local market expectations of long-term returns, primarily utilising the iBoxx Corporate Index Bond rating AA, duration higher than 10 years. The resulting discount rates are consistent with the duration of plan liabilities.

The expected long-term rate of return on plan assets assumption for LivaNova's U.S. benefit plan was derived from a study conducted by the Company's investment managers. The study includes a review of anticipated future long-term performance of individual asset classes and consideration of the appropriate asset allocation strategy given the anticipated requirements of the plan to determine the average rate of earnings expected on the funds invested to provide for the pension plan benefits.

Retirement Benefit Plan Investment Strategy

In the U.S., the Company has an account that holds the defined benefit frozen balance pension plan assets. The Plan Committee sets investment guidelines for U.S. pension plans with the assistance of an external consultant. The plan assets in the U.S. are invested in accordance with sound investment practices that emphasise long-term fundamentals. The investment objectives for the plan assets in the U.S. are to achieve a positive rate of return that would be expected to close the current funding deficit and to enable LivaNova to terminate the frozen pension plan at a reasonable cost. These guidelines are established based on market conditions, risk tolerance, funding requirements, and expected benefit payments. The Plan Committee also oversees the investment allocation process, selects the investment managers, and monitors asset performance. The investment portfolio contains a diversified portfolio of fixed income and equity index funds. Securities are also diversified in terms of domestic and international securities, short- and long-term securities, growth and value styles, and large cap and small cap stocks.

Outside the U.S., pension plan assets are typically managed by decentralised fiduciary committees. There is a significant variation in policy asset allocation from country to country. Local regulations, local funding rules, and local financial and tax considerations are part of the funding and investment allocation process in each country.

The following table presents LivaNova's U.S. and Non-U.S. pension plan target allocations by asset category:

	31 December			
	2025		2024	
	U.S. Pension Benefits	Non-U.S. Pension Benefits	U.S. Pension Benefits	Non-U.S. Pension Benefits
Equity Securities	29%	1%	29%	1%
Debt Securities	70%	81%	70%	81%
Other	1%	18%	1%	18%

Retirement Benefit Fair Values

The following is a description of the valuation methodologies used for retirement benefit plan assets measured at fair value:

Mutual Funds: Comprised of investments in equity and fixed income securities held in pooled investment vehicles. The valuations of mutual funds are based on the respective net asset values which are determined by the fund daily at market close. The net asset values are calculated based on the valuation of the underlying assets which are determined using observable inputs. The net asset values are publicly reported.

Fixed Income Securities: Fixed Income Securities: Fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 29. Employee Retirement Plans

Money Markets: Valued based on quoted prices in active markets for identical assets.

The following tables provide information by level for the U.S. retirement benefit plan assets that are measured at fair value, as defined by IFRS (in thousands):

31 December 2025	Total	Fair Value Measurement Using Inputs Considered as:		
		Level 1	Level 2	Level 3
Equity mutual funds	\$ 2,592	\$ 2,592	\$ —	\$ —
Fixed income mutual funds	6,327	6,327	—	—
Money market funds	91	91	—	—
	<u>\$ 9,010</u>	<u>\$ 9,010</u>	<u>\$ —</u>	<u>\$ —</u>

31 December 2024	Total	Fair Value Measurement Using Inputs Considered as:		
		Level 1	Level 2	Level 3
Equity mutual funds	\$ 2,169	\$ —	\$ 2,169	\$ —
Fixed income mutual funds	5,333	—	5,333	—
Money market funds	78	78	—	—
	<u>\$ 7,580</u>	<u>\$ 78</u>	<u>\$ 7,502</u>	<u>\$ —</u>

The following tables provide information by level for the Non-U.S. retirement benefit plan assets that are measured at fair value, as defined by IFRS (in thousands):

31 December 2025	Total	Fair Value Measurement Using Inputs Considered as:		
		Level 1	Level 2	Level 3
Equity mutual funds	\$ 24	\$ 24	\$ —	\$ —
Fixed income mutual funds	1,583	—	1,583	—
Money market funds	363	363	—	—
	<u>\$ 1,970</u>	<u>\$ 387</u>	<u>\$ 1,583</u>	<u>\$ —</u>

31 December 2024	Total	Fair Value Measurement Using Inputs Considered as:		
		Level 1	Level 2	Level 3
Equity mutual funds	\$ 24	\$ —	\$ 24	\$ —
Fixed income mutual funds	1,566	—	1,566	—
Money market funds	332	332	—	—
	<u>\$ 1,922</u>	<u>\$ 332</u>	<u>\$ 1,590</u>	<u>\$ —</u>

Refer to “Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies” for discussion of the fair value measurement terms of Levels 1, 2, and 3.

Defined Benefit Retirement Funding

LivaNova makes the minimum required contribution to fund the U.S. pension plan as determined by the Moving Ahead for Progress in the 21st Century Act and the Highway and Transportation Funding Act of 2014. The Company contributed \$0.9 million and \$1.5 million to the pension plans (U.S. and non-U.S.) during the years ended 31 December 2025 and 2024, respectively. LivaNova anticipates the Company will make contributions to the U.S. pension plan of \$0.1 million during the year ended 31 December 2026. Contributions to the non-U.S. pension plans in fiscal year 2025 are not expected to be material. The weighted average duration of the defined benefit plans is 7 years and 9 years for U.S. plan and Non-U.S. plans, respectively.

The following table presents benefit payments expected to be paid, including amounts to be paid from LivaNova’s assets, and reflecting expected future service (in thousands):

31 December 2025	2026	2027	2028	2029	2030	2031 - 2035	Beyond 2035	Total
U.S. Plan	\$ 3,513	\$ 610	\$ 494	\$ 509	\$ 442	\$ 1,757	\$ 678	\$ 8,003
Non-U.S. Plans	378	413	510	469	652	3,934	1,370	7,726

31 December 2024	2025	2026	2027	2028	2029	2030 - 2034	Beyond 2034	Total
U.S. Plan	\$ 3,495	\$ 829	\$ 877	\$ 667	\$ 509	\$ 2,105	\$ 740	\$ 9,222
Non-U.S. Plans	514	537	657	594	664	3,886	1,408	8,260

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 29. Employee Retirement Plans

Defined Contribution Plans

LivaNova sponsors defined contribution plans, including the LivaNova US Employee Retirement Savings Plan, which qualifies under Section 401(k) of the U.S. Internal Revenue Code, covering U.S. employees; the Cyberonics, Inc. Non-Qualified Deferred Compensation Plan, covering certain U.S. middle and senior management; and the Belgium Defined Contribution Pension Plan for Cyberonics's Belgium employees. LivaNova incurred expenses for LivaNova's defined contribution plans of \$11.6 million and \$9.6 million for the years ended 31 December 2025 and 2024, respectively.

Note 30. EPS

Basic EPS is calculated by dividing the income (loss) attributable to shareholders of the Group by the weighted average number of Ordinary Shares outstanding during the year. Diluted EPS is calculated by dividing the income (loss) attributable to shareholders of the Group by the weighted average number of Ordinary Shares outstanding during the year plus the weighted average number of Ordinary Shares that would be issued on conversion of all the dilutive potential Ordinary Shares into Ordinary Shares.

The following table sets forth the basic and diluted weighted average shares outstanding used in the computation of basic and diluted EPS (in thousands of shares, except per share amounts):

	2025	2024
Numerator: ⁽¹⁾		
Income (loss) attributable to shareholders of the Group	\$ 109,020	\$ (273,414)
Denominator: ⁽¹⁾		
Basic weighted average shares outstanding	54,548	54,240
Add effects of share-based compensation and convertible debt instruments ⁽²⁾	457	—
Diluted weighted average shares outstanding	55,005	54,240
Basic income (loss) per share	\$ 2.00	\$ (5.04)
Diluted income (loss) per share	\$ 1.98	\$ (5.04)

⁽¹⁾ For the years ended 31 December 2025 and 2024, the 2029 Notes were outstanding and potentially dilutive securities, but were excluded from the computation of diluted EPS because their effect would have been anti-dilutive.

⁽²⁾ Excluded from the computation of diluted EPS for the years ended 31 December 2025 and 2024 were stock options, SARs, and RSUs totalling 0.1 million and 2.8 million, respectively, because to include them would have been anti-dilutive.

Note 31. Auditors' Remuneration

The following table summarises the aggregate fees paid or payable to PwC-US and its respective network member firms including PwC S.p.A. and PwC-UK, LivaNova's UK statutory auditor, by LivaNova for services performed (in thousands):

	2025	2024
Fees paid or payable to LivaNova's auditors and its associates:		
Consolidated financial statement audits	\$ 4,635	\$ 4,714
Parent Company audit	87	85
Fees paid or payable to LivaNova's auditors and its associates for other services:		
Audits of the financial statements of LivaNova's subsidiaries	584	567
Audit-related assurance services	521	101
Tax compliance services	290	450
Tax advisory services	113	106
Other assurance services	62	175
	\$ 6,292	\$ 6,198

⁽¹⁾ Includes fees associated with LivaNova's U.S. GAAP and UK-adopted international accounting standards financial statement audits.

Note 32. New Accounting Pronouncements

LivaNova has applied the following standards, amendments, and interpretations for the first time for its annual reporting period commencing 1 January 2025:

- Lack of exchangeability (Amendments to: IAS 21 The Effects of Changes in Foreign Exchange Rates).

The above did not have a material impact on LivaNova's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 32. New Accounting Pronouncements

Certain new accounting standards, interpretations, and amendments have been published that are not effective for the 31 December 2025 reporting period and have not been early adopted by LivaNova. These are as follows:

- Presentation and Disclosure in Financial Statements (IFRS 18 Presentation and Disclosure in Financial Statements);
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to: IFRS 9 Financial Instruments and IFRS 7);
- Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21);
- Subsidiaries without Public Accountability: Disclosures⁷ (Amendment to IFRS 19);
- Annual Improvements to IFRS Accounting Standards - Volume 11; and
- Contracts Referencing Nature-dependent Electricity (Amendments to: IFRS 9 and IFRS 7).

The Company is in the process of analysing the impact of the above.

Note 33. Subsequent Events

On 8 January 2026, LivaNova paid \$97.7 million in an early repayment of the amount outstanding under the Term Facilities in full, along with accrued interest.

On 18 March 2026, the FDA granted PMA for the aura6000 System. As a result, LivaNova increased the associated contingent consideration provision \$10.7 million during 2026 through the issuance of these consolidated financial statements.

LIVANOVA PLC

Table of Contents

Parent Company Balance Sheet	131
Parent Company Statement of Changes in Equity	132
Notes to the Parent Company Financial Statements:	133
Note 1. Nature of Operations, Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies ..	133
Note 2. Investments in Subsidiaries, Associates, and Other Investments	135
Note 3. Taxation	137
Note 4. Derivative Financial Instruments	138
Note 5. Trade and Other Receivables	138
Note 6. Financial Assets	138
Note 7. Other Assets	139
Note 8. Financial Liabilities	139
Note 9. Shareholders' Equity	139
Note 10. Commitments and Contingencies	140
Note 11. Related Parties	140
Note 12. Share-Based Compensation Plans	140
Note 13. Subsequent Events	141

LIVANOVA PLC
Parent Company Balance Sheet
(In thousands)

		31 December	
	Note	2025	2024
ASSETS			
Non-current assets			
Investments in subsidiaries	2	\$ 2,200,950	\$ 2,114,467
Financial asset	6	490,151	490,151
Derivative financial instruments	4	36,551	23,735
Deferred tax assets	3	92,533	94,384
Receivables from subsidiaries associated with the Company's share-based incentive plans		73,474	64,557
Other assets	7	15,430	11,769
Total non-current assets		2,909,089	2,799,063
Trade and other receivables	5	65,222	28,274
Financial assets	6	223,477	30,492
Current income tax receivable	3	9,194	8,485
Cash and cash equivalents		473,455	286,656
Restricted cash		—	294,698
Total current assets		771,348	648,605
Total assets		\$ 3,680,437	\$ 3,447,668
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Called up share capital	9	\$ 84,564	\$ 83,156
Merger relief reserve	9	383,179	383,179
Share premium account	9	48,891	46,216
Capital redemption reserve	9	1,897	1,897
Treasury shares	9	(1,166)	(136)
Accumulated other comprehensive income (loss)	9	25,259	(40,835)
Retained earnings		2,026,904	2,055,020
Total shareholders' equity		\$ 2,569,528	\$ 2,528,497
Non-current liabilities			
Financial liabilities	8	\$ 275,599	\$ 258,043
Derivative financial instruments	4	83,904	51,819
Other liabilities		4,283	3,924
Total non-current liabilities		363,786	313,786
Current liabilities			
SNIA environmental liability	10	396,242	344,403
Financial liabilities	8	315,795	210,700
Trade payables		17,813	21,814
Other liabilities		17,273	28,468
Total current liabilities		747,123	605,385
Total liabilities and shareholders' equity		\$ 3,680,437	\$ 3,447,668

Registration number 09451374

See accompanying notes to the parent company financial statements.

The Parent Company's loss for the years ended 31 December 2025 and 2024 was \$47.1 million and \$332.7 million, respectively.

The financial statements on pages 131 to 141 were approved by the Board and were signed on its behalf on 27 April 2026 by:



VLADIMIR MAKATSARIA
CHIEF EXECUTIVE OFFICER & DIRECTOR

LIVANOVA PLC
Parent Company Statement of Changes in Equity
(In thousands)

	Ordinary Shares							Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
	Note	Number of Shares	Share Capital	Merger Relief Reserve	Share Premium	Capital Redemption Reserve	Treasury Shares			
1 January 2024		53,942	\$ 82,533	\$ 383,179	\$ 40,058	\$ 1,897	\$ (56)	\$ (3,838)	\$ 2,370,637	\$ 2,874,410
Share-based compensation plans	12	146	183	—	6,158	—	360	—	17,058	23,759
Purchase of shares		350	440	—	—	—	(440)	—	—	—
Total transactions with owners, recognised directly in shareholders' equity		496	623	—	6,158	—	(80)	—	17,058	23,759
Net loss for the year		—	—	—	—	—	—	—	(332,675)	(332,675)
Other comprehensive loss		—	—	—	—	—	—	(36,997)	—	(36,997)
Total comprehensive loss for the year		—	—	—	—	—	—	(36,997)	(332,675)	(369,672)
31 December 2024		54,438	83,156	383,179	46,216	1,897	(136)	(40,835)	2,055,020	2,528,497
Share-based compensation plans	12	97	118	—	2,675	—	260	—	18,950	22,003
Purchase of shares		1,000	1,290	—	—	—	(1,290)	—	—	—
Total transactions with owners, recognised directly in shareholders' equity		1,097	1,408	—	2,675	—	(1,030)	—	18,950	22,003
Net loss for the year		—	—	—	—	—	—	—	(47,066)	(47,066)
Other comprehensive income		—	—	—	—	—	—	66,094	—	66,094
Total comprehensive income (loss) for the year		—	—	—	—	—	—	66,094	(47,066)	19,028
31 December 2025		55,535	\$ 84,564	\$ 383,179	\$ 48,891	\$ 1,897	\$ (1,166)	\$ 25,259	\$ 2,026,904	\$ 2,569,528

See accompanying notes to the parent company financial statements.

LIVANOVA PLC

Notes to the Parent Company Financial Statements

Note 1. Nature of Operations, Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

For information regarding LivaNova's nature of operations, basis of presentation, use of accounting estimates and material accounting policies, refer to "Note 1. Nature of Operations" and "Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies" of the Company's consolidated financial statements in this Annual Report, except where provided below.

As the principal of the Group, the Parent Company provides management and administrative support for its operations globally. The Parent Company has an Italian branch entity that supports the Parent Company's direct and indirect subsidiaries by providing general administration and management services, as well as performing centralised treasury activities, processes for payments and remunerations, contributions, taxes, and duties.

As permitted by Section 408 of the Companies Act 2006, the income statement of the Parent Company is not presented in this Annual Report.

The financial statements for the years ended 31 December 2025 and 2024 of LivaNova have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law. The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

Standard Disclosure	Exemption
The following paragraphs of IAS 1, "Presentation of financial statements"	10(d) – statement of cash flows; 16 – statement of compliance with all IFRS; 38A – requirement for minimum of two primary statements, including cash flow statements; 38B-D – additional comparative information; 111 – statement of cash flow information; and 134 to 136 – capital management disclosures.
IFRS 7, "Financial Instruments: Disclosures"	Full exemption.
The following paragraphs of IFRS 13, "Fair Value Measurement"	91 to 99 – disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities.
IAS 7, "Statement of Cash Flows"	Full exemption.
The following paragraphs of IFRS 2, "Share-based Payment"	45(b) and 46 to 52 – details of the number and weighted average exercise prices of share options, and the fair value of services received is determined.
The following paragraphs of IAS 8, "Accounting policies, changes in accounting estimates and errors"	30 and 31 – requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective.
The following paragraphs of IAS 24, "Related Party Disclosures"	17 – key management compensation; 18A – key management services provided by a separate management entity; and the requirements to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Presentational Changes. LivaNova reclassified certain prior period amounts on the Parent Company balance sheet for comparative purposes in line with the change in presentation in the current year regarding the presentation of these items. The following table presents a summary of the reclassifications to the impacted financial statement line items in the Company's financial statements in the previously issued 2024 Annual Report (in thousands):

Consolidated Balance Sheet	31 December 2024		
	As Previously Reported	Adjustments ⁽¹⁾	As Currently Reported
Other assets	\$ 76,326	\$ (64,557)	\$ 11,769
Receivables from subsidiaries associated with the Company's share-based incentive plans	—	64,557	64,557
Trade receivables	6,311	(6,311)	—
Other receivables	21,963	(21,963)	—
Trade and other receivables	—	28,274	28,274
	<u>\$ 104,600</u>	<u>\$ —</u>	<u>\$ 104,600</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Nature of Operations, Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies

- (1) Reclassifications to separately present receivables from subsidiaries associated with the Company's share-based incentive plans and to aggregate trade receivables and other receivables.

Going Concern. Based on LivaNova PLC's current business plan, the Parent Company believes that its existing cash and cash equivalents and future cash generated from operations will be sufficient to fund LivaNova PLC's expected operating needs, working capital requirements, capital expenditures, and debt service requirements for a period of at least twelve months from the issuance of these financial statements. LivaNova PLC regularly reviews its capital needs and considers various investing and financing alternatives to support the Parent Company's requirements. Therefore, it is appropriate to adopt the going concern basis in preparing these consolidated financial statements. In addition, the LivaNova PLC Consolidated Group (Consolidated Group) conditions may impact the value of the Parent Company's investments in its subsidiaries and the Parent Company's ability to recover amounts due from subsidiaries. As such, refer to the Consolidated Group's going concern assessment included with "Note 2. Basis of Preparation, Use of Accounting Estimates, and Material Accounting Policies" to the Consolidated Group financial statements in this Annual Report.

As of 31 December 2025, LivaNova PLC had a net current asset position on the Parent Company balance sheet of \$24.2 million. For additional information, refer to "Note 6. Financial Assets."

Investments in Subsidiaries. Investments in subsidiaries are accounted for at cost less any provision for impairment. LivaNova PLC assesses at each reporting date whether there is an indication that an investment may be impaired. If any indication exists, the Parent Company estimates the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

Revenue. Revenue and associated receivables largely consist of intercompany re-charges, services, and management fees. Revenue is measured at the fair value of the consideration received or receivable. The Parent Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met.

Critical Estimates and Judgements. The preparation of LivaNova PLC's financial statements in conformity with FRS 101 requires management to make judgements that affect the amounts reported in such financial statements and accompanying notes. These estimates and judgements are based on management's best knowledge of current events and actions the Parent Company may undertake in the future. Actual results could differ materially from those estimates. Application of the following accounting policies requires certain judgements and estimates that have the potential for the most significant impact on the Parent Company's financial statements:

Critical Estimates

- *Impairment of Investments in Subsidiaries.* LivaNova PLC performed impairment trigger assessments wherein the Parent Company compared the net assets of LivaNova PLC's subsidiaries with their respective carrying values as of 31 December 2025. Where a trigger was identified, the Parent Company performed impairment assessments utilising the discounted cash flow models used in the assessment of the Group's CGUs for impairment. LivaNova also performed sensitivity analyses as of 31 December 2025, which did not result in any potential impairment of the Parent Company's investments. Refer to the consolidated financial statements "Note 17. Goodwill and Intangible Assets" under section "Impairment of Goodwill and Intangible Assets" for key assumptions and a sensitivity analysis over these key assumptions.

Critical Estimates and Judgements

- *Deferred Tax Recoverability.* Management has made estimates and judgements regarding the recoverability of deductible temporary differences and tax losses carried forward to be utilised from future taxable profits. The Parent Company does not currently recognise UK deferred tax assets relating to losses where UK group relief is not permitted, and other timing differences due to the uncertainty involved in determining the future profitability of the Parent Company. For additional information, refer to "Note 3. Taxation."
- *Commitments and Contingencies.* Due to the fact that legal proceedings and other contingencies are inherently unpredictable, LivaNova PLC's assessments involve significant estimates and judgements. See "Note 10. Commitments and Contingencies."

Income Statement. "Note 31. Auditors' Remuneration" to the consolidated financial statements provides details of the remuneration of the Parent Company's auditor for the Group, including any non-audit services. Information on Directors' emoluments, share and other interests, transactions, and pension entitlements is included in the Directors' remuneration report in this Annual Report.

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Investments in Subsidiaries, Associates, and Other Investments

Note 2. Investments in Subsidiaries, Associates, and Other Investments

The following table presents the composition of investments in subsidiaries (in thousands):

	31 December	
	2025	2024
Gross amount	\$ 2,200,960	\$ 2,118,371
Accumulated impairments	(10)	(3,904)
Net book value	<u>\$ 2,200,950</u>	<u>\$ 2,114,467</u>

The following table presents the changes in investments in subsidiaries (in thousands):

	Cost
1 January 2024	<u>\$ 2,962,917</u>
Addition ⁽¹⁾	248,021
Return of capital ⁽²⁾	(1,050,192)
Impairments ⁽³⁾	(3,904)
Other	1,118
Currency translation	(43,493)
31 December 2024	<u>\$ 2,114,467</u>
Impairments	(10)
Other	1,168
Currency translation	85,325
31 December 2025	<u>\$ 2,200,950</u>

⁽¹⁾ During 2024, LivaNova contributed capital and increased its investment in LivaNova USA by \$248.0 million resulting from the issuance of the 2029 Notes and LivaNova PLC's management of LivaNova's centralised treasury function by acting as an in-house bank of the Group.

⁽²⁾ LivaNova Cayman Limited was liquidated in June 2024. LivaNova's investment in LivaNova Cayman Limited was reduced to zero through a return of capital via a distribution and a corresponding offset against the due to subsidiary with LivaNova Cayman Limited. Additionally, during 2024, LivaNova completed an intercompany restructuring of LivaNova Hungary Limited Liability Company, resulting in a return of capital of \$100.2 million and a decrease in due to subsidiaries.

⁽³⁾ LIVN UK Holdco Limited was liquidated in January 2025. As a result, LivaNova's investment in LIVN UK Holdco Limited was fully impaired.

The following table presents the composition of investments in subsidiaries (in thousands, except ownership percentage):

	Percentage Ownership ⁽¹⁾		Investments in Subsidiaries	
	31 December		31 December	
	2025	2024	2025	2024
LivaNova USA, Inc.	100.00	100.00	\$ 1,330,377	\$ 1,329,763
Sorin Group Italia S.r.l.	98.98	98.98	722,924	639,374
LivaNova Nederland N.V.	100.00	100.00	109,760	109,643
LivaNova Site Management S.r.l.	86.42	86.42	19,024	16,819
LivaNova Canada, Inc.	100.00	100.00	12,540	12,533
LivaNova Switzerland SA	100.00	100.00	6,325	6,325
LivaNova Hungary Limited Liability Company	—	100.00	—	10
LIVN UK Holdco Limited	—	100.00	—	—
			<u>\$ 2,200,950</u>	<u>\$ 2,114,467</u>

⁽¹⁾ The Parent Company's voting right percentage is equal to its ownership percentage.

During the years ended 31 December 2025 and 2024, LivaNova PLC recharged subsidiary undertakings \$11.4 million and \$25.2 million, respectively, for share-based compensation.

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Investments in Subsidiaries, Associates, and Other Investments

The following table presents the details of directly and indirectly owned subsidiaries, associates, and other investments as of 31 December 2025:

Entity	Registered Office	Country of Incorporation	% Consolidated Group Ownership	Parent Name	Parent % Ownership
LivaNova PLC (Italian Branch)	Via Enrico Cialdini, 16, 20161 Milano, Italy	Italy	100		
ALung Technologies, LLC	2500 Jane St., Ste 100, Pittsburgh, PA 15203	U.S.	100	LivaNova USA, Inc.	100
Caisson Interventional, LLC	6500 Wedgwood Rd., Maple Grove, MN 55311	U.S.	100	LivaNova USA, Inc.	100
CardiacAssist, LLC DbA TandemLife	620 Alpha Drive, Ste 200, Pittsburgh, PA 15238	U.S.	100	LivaNova USA, Inc.	100
ImThera Medical, Inc.	100 Cyberonics Boulevard, Houston, TX 77058 USA	U.S.	100	LivaNova USA, Inc.	100
LivaNova Australia PTY Limited	Unit 1, 63 Wells Road, Chelsea Heights VIC 3196	Australia	100	LivaNova Nederland N.V.	100
LivaNova Austria GmbH	Millennium Tower, Handelskai 94-96, 1200 Wien	Austria	100	LivaNova Nederland N.V.	100
LivaNova Belgium NV	Ikaroslaan 83, 1930 Zaventem, Belgium	Belgium	100	LivaNova Nederland N.V.	100
LivaNova Brasil Comércio e Distribuição de Equipamentos Médico-hospitalares Ltda	Rua Liege, 54 – Vila Vermelha, 04298-070 – São Paulo - SP - Brasil	Brazil	100	Sorin Group Italia S.r.l.	100
LivaNova Canada, Inc. ⁽³⁾	8-280 Hillmount Road Markham, ON L6C 3A1	Canada	100	LivaNova PLC	100
LivaNova Chile SpA	Calle Miraflores 222, piso 28 Norte, Santiago, Chile	Chile	100	LivaNova UK Limited	100
LivaNova Colombia Sas	Avenida Calle 80 No. 69-70 Bodega 37, Bogotá, Colombia	Colombia	100	Sorin Group Italia S.r.l.	100
LivaNova Deutschland GmbH	Lindberghstrasse 25, D - 80939 München, Germany	Germany	100	Sorin Group Italia S.r.l.	100
LivaNova España, S.L.	Paseo de Gracia 6 1 – 2 08007 Barcelona, Spain	Spain	100	LivaNova Nederland N.V.	100
LivaNova Finland OY	c/o Kallioliaw Asianajotoimisto Oy, Södra kajen 12, 00130 Helsinki, Finland	Finland	100	Sorin Group Italia S.r.l.	100
LivaNova Holding S.r.l.	Via Enrico Cialdini, 16, 20161 Milano, Italy	Italy	100	Sorin Group Italia S.r.l.	100
LivaNova Hong Kong Limited	4008-4009, 40/F, One Pacific Place, 88 Queensway, Hong Kong	Hong Kong	100	LivaNova Nederland N.V.	100
LivaNova, Inc.	100 Cyberonics Boulevard, Houston, TX 77058 USA	U.S.	100	LivaNova USA, Inc.	100
LivaNova India Private Limited	603-A, Copia Corporate Suites, Building #09, Jasola District Centre, New Delhi, India 110025	India	99.99	LivaNova Nederland N.V.	99.99
LivaNova IP Limited ⁽³⁾	20 Eastbourne Terrace, London, England W2 6LG, United Kingdom	UK	100	LivaNova PLC	100
LivaNova Japan K.K.	11-1 Nagatacho 2 chome, Chiyoda-ku, Tokyo, 100-6110 Japan	Japan	100	LivaNova Nederland N.V.	100
LivaNova (Thailand) Ltd	999, Gaysorn Building, 5th Floor, Unit 5B-1, Room no 535 ,509-510 Ploenchit Rd., Lumpini, Patumwan, Bangkok 103304	Thailand	99.997	LivaNova Nederland N.V.	99.997
LivaNova (China) Medical Technology Co. Ltd	Room 218, 2nd Floor, No.56 Meisheng Road, Shanghai Pilot Free Trade Zone, China	China	100	LivaNova Holding S.r.l.	100
LivaNova Korea Limited ⁽²⁾	Unit 206, 2nd Floor, 240 Olympic-ro, Songpa-gu, Seoul, Korea	Korea	100	LivaNova Nederland N.V.	100
LivaNova Malaysia Sdn. Bhd.	Unit A-3-6, TTDI Plaza, Jalan Wan Kadir 3, Taman Tun Dr Ismail, 60000 Kuala Lumpur, Malaysia	Malaysia	100	LivaNova Nederland N.V.	100
LivaNova Nederland N.V. ⁽³⁾	Westerdoksdiijk 423, 1013 BX, Amsterdam, Netherlands	Netherlands	100	LivaNova PLC	100
LivaNova Norway AS	c/o AmestoAccounthouse AS, Smeltedigelen 1, 0195 Oslo, Norway	Norway	100	Sorin Group Italia S.r.l.	100
LivaNova Poland Sp. Z o.o.	Park Postepu Bud A Ul. Postepu 21 PL-02 676 Warszawa, Poland	Poland	100	LivaNova Nederland N.V.	100
LivaNova Regional Headquarter Company ⁽¹⁾	Olaya District, Olaya St. Al-Akariya 2, 6th Floor, Office 617, 6847 Olaya St, Riyadh 12244, Saudi Arabia	Saudi Arabia	100	LivaNova Nederland N.V.	100
LivaNova SAS	24 rue du Gouverneur Général Éboué, 92130 Issy-les-Moulineaux, France	France	100	LivaNova Nederland N.V.	100
LivaNova Scandinavia AB	Djupdalsvägen 16, 192 51 Sollentuna, Sweden	Sweden	100	Sorin Group Italia S.r.l.	100
LivaNova Singapore Pte Ltd	11 North Buona Vista Drive #13-09, The Metropolis, Singapore 138589	Singapore	100	LivaNova Nederland N.V.	100
LivaNova Site Management S.r.l. ⁽³⁾	Via Enrico Cialdini, 16, 20161 Milano, Italy	Italy	100	LivaNova PLC Sorin Group Italia S.r.l.	86 14
LivaNova Switzerland SA ⁽³⁾	Rue du Grand-Pont 12, 1003 Lausanne	Switzerland	100	LivaNova PLC	100
LivaNova Taiwan Co. Ltd	12F, No. 101, Songren Rd. Taipei City, 110414 Taiwan	Taiwan	100	LivaNova Nederland N.V.	100
LivaNova Turkey Medikal Limited Sirketi	Esentepe Mahallesi Ecza Sk. Pol Center Sit. C Blok Apt No: 4/1 Sisli/Istanbul	Türkiye	100	LivaNova Nederland N.V.	100
LivaNova UK Limited	1370 Montpellier Court, Gloucester Business Park, Gloucester, Gloucestershire, GL3 4AH, United Kingdom	UK	100	LivaNova Nederland N.V.	100
LivaNova USA, Inc. ⁽³⁾	100 Cyberonics Boulevard, Houston, TX 77058 USA	U.S.	100	LivaNova PLC	100
LIVN Irishco 2 UC	Deloitte, 6 Lapp's Quay, Cork, T12 TA48, Ireland	Ireland	100	LIVN UK Holdco Limited	100

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Investments in Subsidiaries, Associates, and Other Investments

Entity	Registered Office	Country of Incorporation	% Consolidated Group Ownership	Parent Name	Parent % Ownership
LIVN US 3, LLC	100 Cyberonics Boulevard, Houston, TX 77058 USA	U.S.	100	LivaNova USA, Inc.	100
Sorin Group Italia S.r.l. ⁽³⁾	Via Enrico Cialdini, 16, 20161 Milano, Italy	Italy	100	LivaNova PLC LivaNova Holding S.r.l.	99 1
Sorin Group Rus LLC	Marshal Proshlyakov str. 30 office 304 123458 Moscow, Russia	Russia	100	Sorin Group Italia S.r.l.	100
Cadence Neuroscience, Inc. ⁽⁴⁾	8201 164th Ave NE Suite 330, Redmond, WA 98052	U.S.	9.1	LivaNova USA, Inc.	9.1
Noctrix Health, Inc. ⁽⁴⁾	724 Brannan St., San Francisco, CA 94103	U.S.	6.5	LivaNova USA, Inc.	6.5
Rainbow Medical Ltd. ⁽⁴⁾	85 Medinat Hayehudim St., Business Park, G Building, Herzeliya Pituach, Israel	Israel	1.7	LivaNova USA, Inc.	1.7
Highlife SAS ⁽⁴⁾	100 Avenue de Suffren, 75015 Paris, France	France	9.9	LivaNova SAS	9.9
MD Start II ⁽⁸⁾	7-11 bd Haussmann, 75009 Paris, France	France	9.7	LivaNova SAS	9.7
Treo Ventures Fund II, L.P. ⁽⁴⁾	3945 Freedom Circle, Suite 1040, Santa Clara, CA 95054	U.S.	22.4	LivaNova USA, Inc.	22.4
MD Start III ⁽⁴⁾	7-11 bd Haussmann, 75009 Paris, France	France	7.9	LivaNova SAS	7.9
MD Start I K.G. ⁽⁴⁾	7-11 bd Haussmann, 75009 Paris, France	Germany	23.4	LivaNova Deutschland GmbH	23.4
Cardiosolutions, Inc. ⁽⁴⁾	375 West Street, West Bridgewater, MA 02379	U.S.	35.3	LivaNova USA, Inc.	35.3
La Bouscarre S.C.I. ⁽⁴⁾	Route de Revel, 31450 Fourquevaux, France	France	50	LivaNova SAS	50

⁽¹⁾ LivaNova Regional Headquarter Company was established in January 2025.

⁽²⁾ LivaNova Korea Limited was established in June 2025.

⁽³⁾ Represents a direct investment of LivaNova PLC.

⁽⁴⁾ Represents an associate or other investment of LivaNova PLC.

In 2025, the following entities were liquidated: LIVN UK Holdco Limited and LIVN UK 2 Co. Limited in January 2025, LIVN US 5, LLC in March 2025, and LivaNova Hungary Limited Liability Company in September 2025.

Note 3. Taxation

Deferred tax assets and liabilities on a gross basis are summarised as follows (in thousands):

	Activity During the Year			
	1 January 2025	Profit or (Loss)	Shareholders' Equity	31 December 2025
NOLs	\$ 86,291	\$ (2,441)	\$ (17)	\$ 83,833
Interest expense carryforward	14,113	(5,255)	—	8,858
Share-based compensation	476	511	97	1,084
Lease liabilities and other	349	93	(87)	355
Other	89	13	172	274
Total deferred tax assets	101,318	(7,079)	165	94,404
Debt financing	6,934	(5,063)	—	1,871
Total deferred tax liabilities	6,934	(5,063)	—	1,871
Total deferred tax assets, net	\$ 94,384	\$ (2,016)	\$ 165	\$ 92,533

As of 31 December 2025, deferred tax assets have not been recognised with respect of the following items (in thousands):

Region	Gross Amount	Tax Benefit	Amount with No Expiration	Carryforward Period
UK NOL	\$ 34,100	\$ 8,525	\$ 8,525	Unlimited

As of 31 December 2024, deferred tax assets have not been recognised with respect of the following items (in thousands):

Region	Gross Amount	Tax Benefit	Amount with No Expiration	Carryforward Period
UK NOL	\$ 40,437	\$ 10,109	\$ 10,109	Unlimited

For losses incurred after April 2017 in the UK, recovery of these operating loss carryforwards began in 2025. The Company is relying on estimated future income projections and judgement on the growth of the projected income for the recoverability of the deferred tax assets corresponding to the NOLs.

NOTES TO THE FINANCIAL STATEMENTS

Note 3. Taxation

No provision has been made for income taxes on undistributed earnings of foreign subsidiaries as of 31 December 2025 because it is the Parent Company's intention to indefinitely reinvest undistributed earnings of the Parent Company's foreign subsidiaries. In the event of the distribution of those earnings in the form of dividends, a sale of the subsidiaries, or certain other transactions, the Parent Company may be liable for income taxes. There should be no material tax liability on future distributions as most jurisdictions with undistributed earnings have various participation exemptions/no withholding tax. These unrecognised differences are not expected to reverse in the foreseeable future.

Note 4. Derivative Financial Instruments

For information regarding LivaNova's derivative financial instruments, refer to "Note 12. Derivative Financial Instruments" of the Company's consolidated financial statements in this Annual Report, except where provided below.

The following tables present the fair value, and the location of, derivative contracts reported in the Parent Company balance sheet (in thousands):

31 December 2025	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives Not Designated as Hedging Instruments:				
2029 Capped Calls	Long-term derivative financial instruments	\$ 36,551		
2029 Embedded Derivative			Long-term derivative financial instruments	\$ 83,904
FX derivative contracts	Current financial assets	165	Current other liabilities	99
Total derivatives not designated as hedging instruments		<u>\$ 36,716</u>		<u>\$ 84,003</u>

31 December 2024	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives Not Designated as Hedging Instruments:				
2029 Capped Calls	Long-term derivative financial instruments	\$ 23,735		
2029 Embedded Derivative			Long-term derivative financial instruments	\$ 51,819
FX derivative contracts	Current financial assets	738		—
Total derivatives not designated as hedging instruments		<u>\$ 24,473</u>		<u>\$ 51,819</u>

Note 5. Trade and Other Receivables

The following table presents the composition of trade and other receivables (in thousands):

	31 December	
	2025	2024
Deposits and receivables with subsidiaries and suppliers	\$ 43,741	\$ 19,596
Trade receivables due from LivaNova subsidiaries ⁽¹⁾	13,764	6,300
Other	7,717	4,455
	<u>\$ 65,222</u>	<u>\$ 30,351</u>

⁽¹⁾ Trade receivables due from subsidiaries are paid within 90 days and no interest is charged.

Note 6. Financial Assets

As of 31 December 2025 and 2024, non-current financial asset of \$490.2 million comprised a promissory note with LivaNova USA, entered into on 31 December 2023, bearing fixed interest at 8.19% per annum, with principal and accrued interest payable 1 December 2030.

The following table presents the composition of current financial assets (in thousands):

	31 December	
	2025	2024
Due in less than 12 months		
Due from subsidiaries ⁽¹⁾	\$ 223,307	\$ 29,574
FX derivative contracts ⁽²⁾	165	738
Other	5	180
	<u>\$ 223,477</u>	<u>\$ 30,492</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 6. Financial Assets

- (1) LivaNova PLC, in management of LivaNova's centralised treasury function by acting as an in-house bank of the Group, loans excess cash to subsidiaries. Interest accrues and is paid quarterly at the relevant short-term reference rate plus 1.5% per annum. Principal amounts are due on demand with 10-day notice.
- (2) For additional information, refer to "Note 4. Derivative Financial Instruments."

Note 7. Other Assets

The following table presents the composition of non-current other assets (in thousands):

	31 December	
	2025	2024
Intangible assets	\$ 10,937	\$ 7,388
PP&E	809	569
ROU assets	3,684	3,812
	<u>\$ 15,430</u>	<u>\$ 11,769</u>

Note 8. Financial Liabilities

The following table presents the principal amounts of long-term financial liabilities (in thousands):

	31 December	
	2025	2024
2029 Notes ⁽¹⁾	\$ 275,599	\$ 258,043

- (1) On 8 March 2024, LivaNova issued \$345.0 million aggregate principal amount of 2.50% notes due 2029, with accrued interest and principal due 15 March 2029. For additional information on the 2029 Notes, refer to "Note 15. Financial Liabilities" of the Company's consolidated financial statements in this Annual Report.

The following table presents the principal amounts of current financial liabilities (in thousands):

	31 December	
	2025	2024
Due to LivaNova subsidiaries ⁽¹⁾	\$ 315,795	\$ 210,676
Short-term facilities	—	24
	<u>\$ 315,795</u>	<u>\$ 210,700</u>

- (1) LivaNova PLC, in management of LivaNova's centralised treasury function by acting as an in-house bank of the Group, holds cash on deposit from subsidiaries. Interest accrues and is paid quarterly on balances at the applicable interest index rate, of each currency, less 0.50%.

Note 9. Shareholders' Equity

Called Up Share Capital

The following table presents LivaNova PLC's authorised called up share capital (in number of shares):

	31 December	
	2025	2024
<i>Authorised called up share capital, Ordinary Shares of £1 each, unlimited shares authorised</i>		
Issued ⁽¹⁾	55,535,181	54,437,670
Outstanding	54,649,085	54,348,542

- (1) Allotted, fully paid, and issued.

Preferred shares. LivaNova may issue preferred shares by special resolution or by determination by the Board.

Treasury shares. Shares held by the EBT are issued to employees and directors at exercise of share-based compensation grants. The balance of shares in the EBT are reported as treasury shares. During the years ended 31 December 2025 and 2024, LivaNova PLC issued 1,000,000 and 350,000 shares, respectively, to the EBT. As of 31 December 2025 and 2024, LivaNova held 886,096 and 89,128 shares in treasury, respectively.

NOTES TO THE FINANCIAL STATEMENTS

Note 9. Shareholders' Equity

Reserves

Merger relief reserve. On 19 October 2015 pursuant to the Merger, the merger relief reserve was recognised in the amount of \$2,649.6 million as a result of the share exchange transaction of the Merger with and into the Parent Company. During the year ended 31 December 2016, the Parent Company capitalised \$2,583.1 million of the reserves in order to create distributable reserves in the financial statement of the Parent Company. Additionally, on 6 August 2021, the Parent Company closed an offering and issued 4,181,818 ordinary shares, par value £1.00 per share, at an offering price of \$82.50 per share. Net proceeds from the offering were \$322.5 million, after deducting underwriting discounts, commissions, and offering expenses, of which \$316.7 million was recognised as merger relief reserve. The reserves may be used for any corporate purpose of the Parent Company for which realised profits are required.

Share premium. Share premium represents the excess of value from shares issued associated with non-qualified stock options, Board RSUs, and the ESPP.

Capital redemption reserve. The capital redemption reserve represents transfers from distributable reserves in accordance with the Parent Company's legislation upon the redemption of ordinary called up share capital.

AOCI. The following table presents the change in each component of AOCI, net of tax, and the reclassifications out of AOCI into net earnings (in thousands):

	Foreign Currency Translation Differences	Remeasurement of Defined Benefit Plans	Total
1 January 2024	\$ (3,818)	\$ (20)	\$ (3,838)
Other comprehensive loss before reclassifications, before tax	(36,994)	(3)	(36,997)
Tax effect	—	—	—
Other comprehensive loss before reclassifications, net of tax	(36,994)	(3)	(36,997)
Net other comprehensive loss, net of tax	(36,994)	(3)	(36,997)
31 December 2024	(40,812)	(23)	(40,835)
Other comprehensive income (loss) before reclassifications, before tax	66,095	(1)	66,094
Tax effect	—	—	—
Other comprehensive income (loss), before reclassifications, net of tax	66,095	(1)	66,094
Net other comprehensive income (loss), net of tax	66,095	(1)	66,094
31 December 2025	\$ 25,283	\$ (24)	\$ 25,259

Dividends. No dividend has been proposed during, or in respect of, the course of the years ended 31 December 2025 and 2024, and the Parent Company has never declared a dividend. LivaNova currently has no intention of declaring and paying dividends. Earnings are intended to be reinvested in the Parent Company.

Note 10. Commitments and Contingencies

Refer to "Note 26. Commitments and Contingencies" of the Company's consolidated financial statements in this Annual Report.

Certain subsidiaries of LivaNova PLC have entered into agreements with Bank of America, including for the issuance of credit cards and local credit facilities, for which LivaNova PLC has provided an indemnity letter up to \$40 million to Bank of America covering the liabilities of the subsidiaries under the agreements. As of 31 December 2025 and 2024, the assessed fair value of the Bank of America agreement was deemed immaterial.

Note 11. Related Parties

Refer to the consolidated financial statements "Note 27. Related Parties" for key management personnel and related parties.

Note 12. Share-Based Compensation Plans

Share-Based Compensation Plans

For a description of LivaNova's share-based compensation plans, refer to "Note 28. Share-Based Plans" of the Company's consolidated financial statements in this Annual Report.

NOTES TO THE FINANCIAL STATEMENTS

Note 12. Share-Based Compensation Plans

Share Options and Share Appreciation Rights

	2025		2024	
	Number of Optioned Shares	Wtd. Avg. Exercise Price	Number of Optioned Shares	Wtd. Avg. Exercise Price
Options and SARs				
Exercised	39,181	\$ 51.03	85,546	\$ 60.62
Outstanding - end of year	202,818	\$ 59.92	248,680	\$ 64.18

The weighted average remaining contractual life for the share options and SARs outstanding at 31 December 2025 and 2024 was 6.0 years 5.4 years, respectively.

The aggregate intrinsic value of the options and SARs outstanding at 31 December 2025 and 2024 was \$1.9 million and \$0.3 million (restated), respectively. The aggregate intrinsic value of options and SARs is based on the fair market value of the underlying share at the end of the year using the difference between the market closing share price, and exercise price for in-the-money awards.

The following table presents outstanding options and SARs by exercise price range (in number of shares):

Outstanding Options	31 December	
	2025	2024
\$31 – \$50	84,782	83,637
\$51 – \$70	44,296	51,325
\$71 – \$90	58,660	89,787
\$91 – \$110	15,080	23,931
	<u>202,818</u>	<u>248,680</u>

Restricted Share and Restricted Share Units Awards

The following tables detail the activity for service-based restricted share and restricted share unit awards:

	2025		2024	
	Number of Shares	Wtd. Avg. Grant Date Fair Value	Number of Shares	Wtd. Avg. Grant Date Fair Value
Non-vested at end of year	78,954	\$ 46.43	114,793	\$ 56.32
			2025	2024
Aggregate fair value of service-based share grants that vested during the year (in thousands)			\$ 2,873	\$ 4,951

Market and Performance-Based Restricted Share and Performance-Based Restricted Share Units Awards

The following tables detail the activity for performance-based and market-based restricted share and restricted share unit awards:

	2025		2024	
	Number of Shares	Wtd. Avg. Grant Date Fair Value	Number of Shares	Wtd. Avg. Grant Date Fair Value
Non-vested at end of year	34,519	\$ 48.14	111,747	\$ 56.05
			2025	2024
Aggregate fair value of performance-based share grants that vested during the year (in thousands)			\$ 1,827	\$ 6,263

Note 13. Subsequent Events

Refer to “Note 33. Subsequent Events” of the Company’s consolidated financial statements in this Annual Report.



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